

REPORT OF THE TREASURER
FOR THE ANNUAL GENERAL MEETING (AGM)
OF THE WANDERERS SQUASH SUB-CLUB
HELD ON 2 NOVEMBER 2018

1. SCOPE OF REPORT

The report covers the budgeted and actual income and expenditure for the following financial periods:

- (a) The prior twelve months financial period 1 March 2017 to 28 February 2018;
- (b) The current seven month period 1 March 2018 to 30 September 2018;
- (c) A forecast twelve month period 1 March 2018 to 28 February 2019.

Based on the above financial statements the financial and budget performance is reviewed.

2. FINANCIAL POLICY AND FRAMEWORK

The comprehensive income statements and budgets are compiled in terms of the Wanderers sub-club income and expenses policy.

Income and expenditure of the Sub-Club are transacted through the bank account of the Main Club, and these transactions recorded via dedicated and ring fenced sub-ledgers contained in the accounting system of the Main Club, and audited as part of the Main Club audit.

Sub-Club income and expenditure is recorded and reported on within the following policy framework:

- (a) Direct income comprising Sub-Club annual and league member contributions, court hire, court advertising, and sponsorships;
- (b) Direct operating expenses covering facility administration, league fees and tournament costs, telecommunications, direct consumables, and computers.
- (c) Facility maintenance and utilities costs are generally carried by the Main Club. The Sub-Club contributes to this via 50% of corporate and school court hire receipts and 100% of court hire receipts from coaching.

- (d) Capital expenditure is generally carried by the Main Club, and allocations determined in terms of a business planning process and resolution by the Main Club committee.
- (e) Income and expenditure is not accrued, and comprehensive income statements compiled on a receipts and payments basis.

In the above context the financial and budget performance reports are presented and considered as fairly reflecting the income and expenditure of the Sub-Club.

3. FINANCIAL PERFORMANCE

3.1 For the period 1 March 2017 to 28 February 2018

A comprehensive income statement for the period 1 March 2017 to 28 February 2018 is attached as Annexure A.

An operating deficit of R22 618 was attained compared to an operating surplus of R17 678 for the prior year.

The operating deficit resulted primarily from no revenue derived from advertising and sponsorships compared to prior periods, as corporates were noticeably reluctant to incur this expenditure in the current restrictive economic climate

As agreed with the main club a proportion of capital and maintenance expenditure incurred on the bar and kitchen upgrade and glass walls cleaning in amount of R10 406 was carried by the sub-club, resulting in an overall net deficit for the year of R33 024.

Accounting for the accumulated surplus of R66 207 as at 28 February 2017 and the current deficit of R33 024, yielded an accumulated surplus of R33 183 as at 28 February 2018.

3.2 For the period 1 March 2018 to 30 September 2018

A comprehensive income statement for the seven month period 1 March 2018 to 30 September 2018 is attached as Annexure B.

An operating surplus of R2 397 was attained for the period compared to an operating deficit of R8 241 for the prior period.

The marginal operating surplus resulted primarily from collection of arrears levies and the voluntary capping of expenditure on contractual management services.

Accounting for the accumulated surplus of R33 186 as at 28 February 2018 and the current net surplus of R2 397 for the period, results in an accumulated surplus of R35 583 as at 30 September 2018 compared with

an accumulated surplus of R47 463 for the prior year seven month period.

3.3 Income and expenditure trend

Summary income and expenditure for three years is scheduled below:

Item	Forecast Feb 2019	Sept 2018 (7 months)	Feb 2018	Feb 2017
Income	188 100	125 846	177 403	249 156
Levy income portion	(40%)	(57%)	(39%)	(27%)
Expenditure	(201 300)	(123 449)	(210 427)	(267 274)
Surplus/(Deficit)	(13 200)	2 397	(33 024)	(18 118)
Accumulated Surplus	22 383	35 583	33 183	66 207

An overall deficit of the order of R13 200 is anticipated for the financial year ending 28 February 2019, yielding an anticipated accumulated surplus of R22 383 as at 28 February 2019.

4. BUDGET PERFORMANCE

A budget schedule for the periods 1 March 2017 to 28 February 2018, 1 March 2018 to 30 September 2018, and for the forecast period 1 March 2018 to 28 February 2019 is attached as Annexure C.

4.1 For the period 1 March 2017 to 28 February 2018

Income (R177 403) was less than that budgeted (R192 500) by R15 097 (8%), This was as a result of no revenue derived from court advertising and sponsorships against budgeted income of R29 000 for these items, and league fee income received of R3 735 being less than that budgeted (R19 200). These adverse variances were partially offset by income from hire of courts (R100 255) being substantially ahead of budget (R66 300) by R33 955 (51%).

Expenditure (R200 021) was marginally higher than budget (R192 500) by R7 521 (4%) primarily due to contractual management services expenditure exceeding budget by R11 067 (8%). This was necessitated by the additional services input associated with the increased court hire income.

The above resulted in an operating deficit of R22 618 compared to a balanced budget. Additional unbudgeted non-operating expenditure in amount of R10 406 on facilities as agreed with the Main Club, yielded a overall net deficit of R33 024 for the period.

4.2 For the period 1 March 2018 to 30 September 2018

Income (R125 846) was ahead of budget (R120 00) by R5 846 (5%) primarily due to additional general subscription collections.

Operating expenditure (R123 449) was in marginally in excess of budget (R120 000) by R3 449 (3%).

A nominal operating surplus of R2 397 was attained against a balanced budget for this period.

4.3 For the period 1 March 2018 to 28 February 2019

Forecasting income and expenditure to the current financial year end indicates income (R188 100) less than budget (R200 500) by R12 400 (6%), and operating expenditure (R201 300) within budget (R211 400) by R10 100 (5%), yielding an operating deficit of R13 200 compared to a budgeted deficit of R10 900.

5 THE FINANCIAL YEAR AHEAD AND CONTRIBUTIONS.

It is envisaged that external sources of income will again be limited for the ensuing financial period, and the sub-club would be reliant on internal sources of income generation from member contributions and court hire in particular.

The funding of deficits over the past two financial years from the accumulated surplus has resulted in the reduction of the accumulated surplus from R66 200 to a forecast level of R22 300 at February 2019, the latter level below an acceptable strategic minimum.

It is recommended that the sub-club annual ordinary contributions per member be increased for the ensuing year from the current R400, 00 to R450, 00 so as to provide additional funding for the recovery of the forecast deficit of R13 200 for the 2018/2019 financial period. This would contribute to increasing the accumulated surplus to a more acceptable level of some R30 000.


6. SUB – CLUB MEMBERSHIP

Membership and membership standing of the Squash Sub-Club for 2016, 2017, and 2018 are scheduled.

CATEGORY	2018	2017	2016
Number of members	211	241	235
Members in good standing	210	229	224
Resignations	23	20	22
Members in default	1	12	11
League players	30	40	40

7 APPRECIATION

My appreciation to the recently resigned Chairperson, Dave Grant for his valued advice and guidance, my fellow committee members, the new appointed Chairperson Chris Hughes, Kevin Eborall, Phil Louw, and Eric Chang for their support, to Gary Plumstead for his assistance, and to the Main Club accounting staff, Maria van den Bosch, Jean Roberts, and Tony Faulkner for their assistance.

A handwritten signature in black ink, appearing to read "A. P. Marks". The signature is fluid and cursive, with a large initial "A" and a distinct "P" and "M".

A P Marks

Treasurer - The Wanderers Squash Sub-Club

October 2018

ANNEXURE A

THE WANDERERS SQUASH SUB-CLUB
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD 1 MARCH 2017 TO 28 FEBRUARY 2018

	2018	2017
	R	R
OPERATING INCOME		
Club shirt sales	3,088	27,363
Court advertising	-	5,000
Hire of courts	100,255	85,158
Hire of courts - Corporates (50%)	8,579	8,076
Hire of courts - Juniors	5,088	307
Hire of courts - Masters	17,049	20,152
Hire of courts - Schools (50%)	3,632	1,646
Hire of courts - Tournaments	28,981	31,485
Hire of courts - Visitors	36,926	23,492
In-house tournament income	1,530	6,144
League fees received	3,735	10,200
Levies received	68,795	66,646
Other income	-	16,101
Sponsorships received	-	32,544
	<u>177,403</u>	<u>249,156</u>
OPERATING EXPENSES		
Affiliation fees	11,447	-
Club shirt purchases	-	61,405
Computers	1,284	1,013
League consumables	1,889	1,310
League fees - Gauteng	19,200	18,000
Management services	146,067	119,430
Stationery	70	563
Sundries	-	15,348
Squash development	8,000	-
Tournaments	6,816	7,345
Watercoolers	5,248	7,064
	<u>200,021</u>	<u>231,478</u>
Operating (deficit) / surplus	(22,618)	17,678
Capital / Non-operating expenditure		
Bench covers	-	11,402
Carpeting	-	6,617
Match court lights replacement	-	17,777
Bar and kitchen upgrade	7,456	-
Glass walls cleaning	2,950	-
	<u>10,406</u>	<u>35,796</u>
Net (deficit)	(33,024)	(18,118)
Prior year accumulated surplus	66,207	84,325
Accumulated surplus	<u>33,183</u>	<u>66,207</u>

ANNEXURE B

THE WANDERERS SQUASH SUB-CLUB
STATEMENT OF COMPREHENSIVE INCOME
FOR THE SEVEN MONTH PERIOD 1 MARCH 2018 TO 30 SEPTEMBER 2018

	SEPT 2018 R	SEPT 2017 R
OPERATING INCOME		
Club shirt sales	4,090	3,088
Hire of courts	45,566	76,129
Hire of courts - Corporates (50%)	130	2,891
Hire of courts - Juniors	1,461	5,088
Hire of courts - Masters	20,112	16,768
Hire of courts - Schools (50%)	1,332	940
Hire of courts - Tournaments	1,304	26,307
Hire of courts - Visitors	21,227	24,135
In-house tournament income	-	1,280
League fees received	4,551	3,735
Levies received	71,639	51,464
	<u>125,846</u>	<u>135,696</u>
OPERATING EXPENSES		
Affiliation fees	11,447	11,447
Computers	751	797
League consumables	-	1,889
League fees - Gauteng	22,500	19,200
Management services	84,574	95,567
Squash development	-	8,000
Stationery	-	70
Tournaments	-	2,524
Watercoolers	4,177	4,443
	<u>123,449</u>	<u>143,937</u>
Operating surplus / (deficit)	2,397	(8,241)
Capital / Non-operating expenditure		
Bar and kitchen upgrade	-	7,456
Glass walls maintenance	-	2,950
	<u>-</u>	<u>10,406</u>
Net deficit	2,397	(18,647)
Prior year accumulated surplus	33,186	66,210
Accumulated surplus	<u>35,583</u>	<u>47,563</u>

