

REPORT OF THE TREASURER
FOR THE ANNUAL GENERAL MEETING (AGM)
OF THE WANDERERS SQUASH SUB-CLUB
HELD ON 26 OCTOBER 2020

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 2019 to 29 February 2020 (Annexure A);
- (b) The current six month period 1 March 2020 to 31 August 2020 (Annexure B);
- (c) A forecast twelve month period 1 March 2020 to 28 February 2021 (Annexure C).

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 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 2019 to 29 February 2020

A comprehensive income statement for the period 1 March 2019 to 29 February 2020 is attached as Annexure A.

An operating surplus of R14,156 was attained compared to an operating surplus of R18,517 for the prior year. The surplus arose primarily from continued efficient management of costs.

Accounting for the accumulated surplus of R48,703 as at 28 February 2019 and the current surplus of R14,156, yielded an accumulated surplus of R62,859 as at 29 February 2020.

3.2 For the period 1 March 2020 to 31 August 2020

A comprehensive income statement for the six month period 1 March 2020 to 31 August 2020 is attached as Annexure B.

An operating surplus of R6 064 (allowing for the ringfencing of Thusong sponsorship money which will be used for future lights/costs later in year and Joburg Squash levies which have yet to be paid/refunded) was attained for the period compared to an operating surplus of R19 533 for the equivalent prior period in prior year (1 March 2019 to 31 August 2019).

The decrease in operating surplus was due to the Covid19 pandemic which massively impacted income from visitor fees and saw a decrease in levy receipts.

Accounting for the accumulated surplus of R62 859 as at 29 February 2020 and the current net surplus of R6 064 (after ringfencing) for the period, results in an accumulated surplus of R68 923 as at 31 August 2020.

.

3.3 Income and expenditure trend

Summary income and expenditure for three years is scheduled below:

Item	Budget Feb 2021	Aug 2020 (6 months)	Feb 2020	Feb 2019
Income	209 000	78 611	197 706	195 482
Levy income portion	(30%)	(43%)	(33%)	(52%)
Expenditure	(206 875)	(72 547)	(183 550)	(176 965)
Surplus/(Deficit)	2 125	6 064	14 156	18 517
Accumulated Surplus	70 361	68 923	62 859	48 703

An overall surplus of the order of R2 125 was budgeted for the financial year ending 28 February 2021, yielding an anticipated accumulated surplus of R70 361 as at 28 February 2021. The Covid19 pandemic however has decimated revenue of the club with a drop in levies received and a cessation of visitor fees which traditionally makes up over 50% of our annual income. Costs however have been managed during this lockdown period.

The outlook for the remainder of the year is incredibly difficult to predict. The timing of the reopening of the club for visitors and a measure of the long term impact of the crisis on the sub-club remains to be determined.

4. BUDGET PERFORMANCE

A schedule of financial performance for the periods 1 March 2019 to 29 February 2020, 1 March 2020 to 31 August 2020, and for the forecast period 1 March 2020 to 28 February 2021 (as lodged with the main club prior to the Covid19) is attached as Annexure C.

4.1 For the period 1 March 2019 to 29 February 2020

Income (R197 706) was behind budget (R225 320) by R27 614 (13%) primarily due to significant drop in levies collected.

Operating expenditure (R183 550) was below budget (R214 700) by R31 150 (15%).

An operating surplus of R14 156 was attained against a budget for this period of R10 620.

4.2 For the period 1 March 2020 to 31 August 2020

Income (R78 611) was significantly behind budget (R143 000) by R64 389 (45%) due to the closure of the club during the Covid19 pandemic.

Operating expenditure taking account of ringfenced amounts (R72 547) was below budget (R120 875) by R48 328 (40%). We are very grateful to

the office manager, Gary Plumstead for his dedication and understanding during the closure period.

An operating surplus (after ringfencing) of R6 064 was attained for this period.

4.3 For the period 1 March 2020 to 28 February 2021

The Covid19 pandemic has made the budgeted figures for the financial year irrelevant. Critical to the sub-club's finances is visitor fees and we anxiously await the opening of club for visitors. Following resignation of club manager, the costs for the remainder of the year will be reduced to try to ensure that costs can be managed in line with the significantly reduced club income. We anticipate that the current accumulated surplus of R68 923 to reduce significantly over the remainder of the financial year and project a potential year end accumulated surplus at the end of February 2021 of R35 000.

5 THE FINANCIAL YEAR AHEAD AND CONTRIBUTIONS.

It is envisaged that due to lack of visitor fees due to Covid19, decreasing membership combined with no tournament income and limited advertising revenue, sources of income will again be limited for the ensuing financial period. We are hopeful that by March 2021 some level of normality can return on visitors and sub-club activity.

Successful financial years 2018/19 and 2019/20 allowed the return of the sub-club to some financial stability. We are fortunate that such balances will allow the sub-club to survive the current Covid19 crisis but such reserves are predicted to deplete significantly in the coming six months.

It is recommended that the sub-club annual ordinary contributions per member be increased for the ensuing year from the current R480 to R500 (and juniors from current R240 to R250) so as to provide sufficient funding for the squash club for the 2021/2022 financial period. This would allow delivery on a number of the basic strategic objectives of the club.

6. SUB – CLUB MEMBERSHIP

Membership and membership standing of the Squash Sub-Club for 2018, 2019, and 2020 are scheduled.

CATEGORY	2020 (at 9/ 20)	2020	2019	2018
Members in good standing	134	176	215	210
League players	16	39	42	30
Hon Temp Member (Thusong children)	5	0	0	0

The significant decline in members over the last three years is a serious cause of concern and efforts continue to be needed to increase membership.

7 APPRECIATION

My appreciation to the Chairperson, my fellow committee members, and to the Main Club accounting staff for their assistance during the last year.

A handwritten signature in black ink, appearing to read 'G. Duffy', with a small dot at the end.

Gavin Duffy

Treasurer - The Wanderers Squash Sub-Club
October 2020

ANNEXURE A

THE WANDERERS SQUASH SUB-CLUB
STATEMENT OF COMPREHENSIVE INCOME
FOR THE TWELVE MONTH PERIOD 1 MARCH 2019 TO 29 FEBRUARY 2020

	ACTUAL FEB 2020 R
OPERATING INCOME	
Club shirt sales	5,143
Hire of courts	71,918
Hire of courts - Corporates (50%)	0
Hire of courts - Juniors	0
Hire of courts - Masters	19,732
Hire of courts - Schools (50%)	5,148
Hire of courts - Tournaments	2,191
Hire of courts - Visitors	44,847
In-house tournament income	0
Sponsorship (Inc Thusong)	27,196
League fees received	28,464
Levies received	64,985
	<u>197,706</u>
OPERATING EXPENSES	
Affiliation fees	11,917
Computers	1,370
League consumables	0
League fees - Gauteng	26,250
Management services	131,600
Squash development	2,450
Stationery / Sundries	2,689
Tournaments	2,959
Watercoolers	4,315
	<u>183,550</u>
Operating surplus / (deficit)	14,156
Capital / Non-operating expenditure	
Bar and kitchen upgrade	-
Glass walls maintenance	-
	<u>-</u>
Net Surplus	14,156
Prior year accumulated surplus	48,703
Accumulated surplus	<u>62,859</u>

Annexure B

THE WANDERERS SQUASH SUB-CLUB
STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD 1 MARCH 2020 TO 31 AUGUST 2020

	ACTUAL AUG 2020 R
OPERATING INCOME	
Club shirt sales	0
Hire of courts	6,147
Hire of courts - Corporates (50%)	0
Hire of courts - Juniors	0
Hire of courts - Masters	1,147
Hire of courts - Schools (50%)	0
Hire of courts - Tournaments	0
Hire of courts - Visitors	5,000
In-house tournament income	0
Sponsorship (Inc Thusong)	20,870
League fees received	17,734
Levies received	33,860
	<u>78,611</u>
OPERATING EXPENSES	
Affiliation fees	8,201
Computers	210
League consumables	0
League fees - Gauteng (RINGFENCED)	17,734
Management services	24,800
Squash development (RINGFENCED)	20,870
Stationery / Sundries	0
Tournaments	0
Watercoolers	732
	<u>72,547</u>
Operating surplus / (deficit)	6,064
Net Surplus	6,064
Prior year accumulated surplus	62,859
Accumulated surplus @ end August (After Ringfencing)	<u>68,923</u>

THE WANDERERS CLUB
Annual Budget 2020/21 Annexure C

	Total Mar-Feb Budget
SQUASH	
SQUASH REVENUE	
SQ Inc - Club shirt sales	2,000
SQ Inc - Sponsorship Development	20,000
SQ Inc - Court Advertising	27,000
SQ Inc - Court Hire Masters I	20,000
SQ Inc - Court Hire Visitors	40,000
SQ Inc - Court Hire Schools 5	0
SQ Inc - Court Hire Tournamen	10,000
SQ Inc - Levies received	63,000
SQ Inc - League fees rec'd Ga	27,000

Squash Revenue	209000

SQUASH EXPENSES	
SQ Exp - Affiliation fees	-13,000
SQ Exp - Computer & internet	-1,560
SQ Exp - League fees Gauteng	-28,875
SQ Exp - Management services	-126,000
SQ Exp - Development	-20,000
SQ Exp - Sundries	-3,000
SQ Exp - Telephone	0
SQ Exp - Tournaments	-10,000
SQ Exp - Watercoolers	-4,440

Squash Expenses	-206875

NET SQUASH	2125
	=====