

Treasurers Report 21/9/20 GDTA trading as Gosford Tennis Club

1. Current Cash Position

The current cash surplus position as at **18/9/20** is as follows:

Total Payable	\$14,329.84
GST Payable – Paid	\$6,044.00
PAYG Withholding	\$0.00
Superannuation (paid 11/10/20)	\$1267.29
Committed payments for major improvements agreed & unpaid	\$19,240.00
Total Owing	\$40,881.13
Total Receivables	\$1,717.18
COVID-19 Job keeper payments owed (October 13)	\$12,000.00
Total Cash at Bank - Operating	\$25,533.30
Total Cash at Bank – Capital Works	\$65,097.15
Total Cash at Bank – Junior Development	\$5,234.77
NSW Government Infrastructure Grant	\$98,258.70
Total To be received	\$207,784.11
Surplus for Solvency Purposes	\$166,959.97

2. Summary

We have got off to a very positive start for this financial year with July/August results beating budget forecast. Excluding the NSW LED grant of \$131,248.70, we have also received the August Job Keeper payment of \$18,000 with our last payment for September of \$12,000 due 13/10.

This has allowed for further buildup of our capital fund which now sits at \$65,097 after transferring LED payments already paid (currently \$32,990) from the grant of \$131,248.70.

We are required to keep the grant separate to ensure all funds are allocated to LED improvements over the next 18 months – 2 years. Once we have a DA in place, we will be able to allocate new poles plus finish courts 12 & 13 which is estimated at a cost of \$55,000. The works to be completed in October has been revised down \$42,450 of which 10% has been paid. I am setting up a new bank account for this purpose given this is our first major grant project and will require committee approval and grant oversight.

The capital fund will assist us in covering the architect, engineering, and QS costs associated with the project at a total of \$19,420, although I have asked the architect to undertake a LED plan within his fee which will be allocated to the grant monies. I estimate this to be approx. \$3,000.

3. Annual Profit & Loss Final Position & Audit Update

Our final 2020 accounts as of the issuing of this report have yet to be received. Once I have these, I will send them to you. The audit should be completed by 6 October according to auditors PKF Newcastle and upon completion I will issue these to the committee.

4. August 2020 P&L's

From an operations perspective a summary is provided as follows which excludes all coaching direct income & costs, grants and sponsorships.

	2020	FY 2020
Sales	\$ 55,294	\$ 285,950
COGS	\$ 10,835	\$ 61,469
GP	\$ 44,459	\$ 224,481
GP Margin	80%	78.5%
Net Profit	\$42,271	\$2,136

The revised net profit is including Job Keeper which in part offsets total gross salaries of \$30,519. Job Keeper in its current form finishes next month. Jackie is currently in discussions with the accountant to understand if we will continue on Job Keeper, however if not we will revert to normal gross wages which I have budgeted for \$12,615 per month. Currently wages costs are approx. \$3,260 per month. My personal view is that we will be eligible for the next quarter, given that tournament income has reduced significantly from a quarter by quarter comparison.

5. Re-instatement of Staff Bonus

In April 2020, we suspended the staff bonus structure due to COVID and the unknown impacts to our business.

From 1 September a updated bonus structure has been completed and implemented to reward teamwork, not individuals. It is cost neutral to that of the previous bonus. **An updated copy of the bonus structure is included separately** to this report.

6. Forecast 1 July 2020 – 30 June 2021

The improvement in our bottom line has seen our forecast budget deficit improve from \$55,719 to \$43,765 for the 10 months to 30 June 2021. Again this excludes grants and sponsorship.

I expect the forecast deficit to improve over the next 3 months, based on the level of entries we are now seeing in our upcoming Junior and Open tournaments, strong growth in the Super Series, and the warmer weather which encourages more players to play at night. Coaching numbers have improved significantly, and we are now seeing higher court revenues from coaching.

We may also receive a boost from hosting the NSW December Showdown from 1/12/-14/12 where we will be gaining \$600 per day in court hire from the 12 hardcourts, and this should be confirmed next week by TNSW.

7. Accounts Payable

We now only have a remaining account to Tennis Australia of \$2,247.58 which relates to the payment plan for the January tournaments. An electricity bill for the 3 winter months has just come in at \$3,993.47. Other payments for Sportlogic (\$899) and Michael Carter (\$550) have yet to be paid as we are still awaiting invoices.

The aged payables attached show that we still need to tidy the report up as you can see that many of our older payables should not be reported given their age and have been paid.

Note that we are expecting an invoice at the end of this month from TNSW for \$6,750 for this year's affiliation fees and this can be paid over 2 – 4 payment periods.

8. Payments for approval & approved since last committee meeting

During the last 2 months we have approved the following payments outside formal committee meetings;

- On 5/8/20 LED Lighting quote for \$74,310 was approved. A revised quote of \$42,500 has been finalized due to courts 12 & 13 not being converted until a DA is approved. \$4,250 has been paid as a deposit.
- On 11/8/20 a chainsaw and blower purchase totaling \$1,898 was again approved due to a larger cost then the last committee meeting approval of \$1,700. This has been purchased and paid for.
- On 2/9/20, Architectural, Engineering, and QS quotes were provided at \$19,420

9. Approvals Required

- Court cleaning quotes (Mike to outline)
- Purchase of a hire pressure cleaner for the hard courts cost \$5,000. (Mike to outline)
- Purchase of a Court Dryer at \$2,299 plus delivery of \$110 (Mike to outline)
- Purchase of a new computer in addition with existing one \$900 to handle increased activity at front desk.
- Purchase of a new coffee machine for \$499 to be used for the lower complex tournaments.
- New Bank Account to be titled "Gosford Tennis Club LED Grant Project" to assist with separating the grant to that of the capital works program.
- Closure of ANZ Bank Account.

Thanks

Tony Haworth
Treasurer

Attachments:

- *P&L 1 July 2020 to 31 August 2020*
- *P&L August 2020*
- *Aged Payables and Receivables*
- *Revised Bonus structure.*