

## **Treasurers Report 23/11/20 GDTA trading as Gosford Tennis Club**

### **1. Current Cash Position**

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The current cash surplus position as at **23/11/20** is as follows:

Total Accounts Payable	\$8,601.00
GST Payable / PAYG Withholding	\$7,580.00
Superannuation (due 23/1/2021)	\$3,021.00
Committed payments for major improvements agreed & unpaid	\$15,920.00
<b>Total Owing</b>	<b>\$35,122.00</b>
Total Receivables	\$8,171.00
Total Cash at Bank - Operating	\$8,740.96
Total Cash at Bank – Capital Works	\$62,488.55
Total Cash at Bank – Junior Development	\$5,235.85
NSW Government Infrastructure Grant	\$55,115.73
<b>Total To be received (excludes NSW grant)</b>	<b>\$84,636.36</b>
<b>Surplus for Solvency Purposes</b>	<b>\$49,514.36</b>

### **2. Summary**

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The 31 October figures have yet to be finalized as the audit has taken up most of Jackie and my time. I will forward these out as other months until we get to our next meeting in February.

Our current position remains stable and with the upcoming tournaments our cashflow towards the end of January 2021 is expected to be strong and allow us to build our cashflow.

Tennis NSW Affiliation fees of \$6,750 are due shortly and have not been accounted for at this stage. Working with Children checks are to be finalized before we submit the affiliation forms to TNSW.

I have asked Jackie to review a roster costing and have given her a calculator to assist. This will allow us to update budgets and provide forecasts for revenue generation.

### **3. September 2020 P&L's**

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

	<b>2020</b>	<b>FY 2020</b>
<b>Sales</b>	\$ 43,143	\$ 98,795
<b>COGS</b>	\$ 8,084	\$ 18,992
<b>GP</b>	\$ 35,059	\$ 79,803
<b>GP Margin</b>	<b>81.3%</b>	<b>80.8%</b>
<b>Net Profit</b>	<b>\$2,610</b>	<b>\$34,412</b>

Job Keeper has now ceased, and October will reflect the first time in 6 months in not receiving this incentive. Our margins are being well maintained at above 80% which is where we need to be for a retail operation.

#### 4. Post Audit

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The audit took longer than expected, identifying some weaknesses outlined below which I have sent to David O'Brien:

1. Xero balances were changing causing significant re-work and delays at the PKF end.
2. The accounting file does not reconcile to the trial balance provided in 2019 or the audited 2019 trial balance.
3. GDTA Visa card balance had some long-standing deposits and if this is actually a receivable or a reconciliation issue.
4. ANZ Merchant transaction being a reconciliation difference within Xero.
5. Stocktake – GTC has now rectified within "inTennis" POS and this shouldn't be an issue moving forward.
6. Plant and equipment. We note that the Association acquired Computer equipment (\$2.6k) and capital expenses (\$8.7k). Depreciation has not been recognised in the P&L. The auditor proposed depreciation rates of 33.33% (Computer equipment) and 25% (capital expenses). We agreed to this and I believe it shouldn't be an issue next year.
7. Account Payables – I understand this is a historical issue however we need to clean this up if we can. There are a number of items that are now 180 day plus items that have been paid, however still showing on the payables.
8. Grants and Capital Items. We have now separate bank accounts for each grant and the capital account should now reflect the trust balance. I am hoping this will assist moving forward for all grants received.
9. For financial reporting purposes, capital assets that the Association expects to obtain a benefit from, a number of financial years should be capitalised and depreciated over the useful life to the Association. We note that the Association has expensed \$23k within 'capital expenses <\$20k' – while we would expect that some of these expenses should be recognised as plant and equipment, we have not made an adjustment to the Committee's classification of these items as an expense.
10. Should we have a manual asset register to maintain assets? If so, can we be provided with a pro-forma document for GTC to complete.
11. Reporting of gift certificates/store credits issued and how these should be reported. I understand this may have now been rectified and confirm as such.

David has suggested that if it helps Jackie, the Club could look into requesting us to complete a quarterly review of the data to ensure the file's integrity. Ballpark this would normally be around \$600-800 a quarter but David mentioned if it is something that they would like us to do then he would be happy to do this for \$400 + GST per quarter (at the time we do the BAS) and the actual BAS would still remain free of charge.

I would recommend this course of action and seek approval to proceed.

#### 5. Forecast 1 July 2020 – 30 June 2021

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As outlined, I have been working on forecasting so that we can maintain profitability and establish new events out to June 2021.

Our growth in UTR tournaments/competitions, has seen increased wages costs that were not forecast 4-5 months ago. Whilst this is a positive, we need to ensure we stay in control of our wage's costs.

My forecast shows a profit of \$9,748 for retail operations if we generate annual sales of \$390,312 or \$32,526 per month, achieve a GP of 74%, and allow for salaries to increase to \$15,000 plus superannuation (originally budgeted originally \$16,125) to allow for growth. Jackie believes wages will be around \$13,717 plus super which is well below forecast but does not allow for growth.

Considering this forecast, from January 2021 I am proposing that we increase some of our prices to cover off these expenses which include the following and have not risen over the past 1-2 years:

- Weekly Night comp fees to rise from \$12.50 to \$15.00.
- UTR super series – Sunday to rise from \$30 to \$35, and Saturday to rise from \$15 to

\$17.50 however Green Ball to remain at \$15.

- Club Championships to have a review in pricing for the 2021 event.

## **6. Accounts Payable**

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Age payables are up to date with bulk of payments in the current to 60 day payment area.

## **7. Payments for approval & approved since last committee meeting**

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The following payments outside formal committee meetings are required:

- Quotes provided for front gate – as per operations report.
- Quote to be provided by Mike on court 10 & 11 cleaning.
- Upcoming tournament expenses. I am seeking a raise in the delegation authority for tennis ball purchases, tournament officials and related costs from \$1,500 to \$3,500. This would only be for the period November to 31 January 2021.
- Outstanding – Court Dryer – Mike to update.

## **8. Club Championships**

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This is for further discussion tonight however financially the Club is estimated to make a profit of \$5,185 from tournament fees only, not including any retail sales or memberships. I understand 25 new memberships were taken over the weekend providing an additional \$500 in fees.

Thanks

**Tony Haworth**  
**Treasurer**

*Attachments:*

- *P&L 1 July 2020 to 30 September 2020*
- *P&L September 2020*
- *Aged Payables and Receivables*