

Croquet NSW Treasurer's Report - July 2020

Financial Statements

A surprisingly good end CNSW as CNSW produced a slight profit of just over \$4,000. This is an \$11,000 turned around since out May forecast as the year end produced higher than expected income from our Managed Fund Investments.

Amount	Item
(7,678)	Forecast as at May 2020
5,479	Higher Investment Income
510	Other Revenue Gains
1,500	Release of Water Provision
1,500	Refurbishment Exepenses not yet claimed
1,001	Allocation Error
1,000	No Insurance
841	Other
4,153	Actual Year - End

The major items are

- Higher investment income from accounting for Managed Funds dividends for the second half of the year and better than expected market value result. In May I have been expecting market news for June and expected that value falls would offset dividend income.
- For the last two years we have made a provision for excess water rates but this has not materialised and the provision has been eliminated.
- The refurbishment expenses for Tempe have yet to be claimed
- The allocation error arise from allocating an affiliation fee rebate to lawn hire. The forecast affiliation fee rebate forecast from May to June was therefore from a lower base which resulted in a higher expenses.
- We did not renew our premises insurance.

Overall a good year as expenses were controlled.

End of Year

All end of year processes have been completed and the 2019 and 2020 accounts are with the auditor. The audit should be complete within a month allowing distribution for the September 26 AGM. Given the likelihood that social distancing will still be required then (and even if not may be preferred by many attendees) we should consider a Zoom meeting.

The end of year process did indicate a need for extra controls on our stock now that we have a stock of clothing. The merchandise profit was \$573 arising from the sale of GC rule books.

Action: Introduce stock controls by having a safe storage.

Assets and Bank Balances

CNSW remains in a strong net asset position as shown below:

Investments	2020	2019	2018
Bank Accounts	235,145	65,776	142,871
Aust Unity Trust (Healthcare Property)	87,305	82,474	75,362
Cromwell Trust (Direct Property)	44,178	42,607	39,893
Term Deposits	233,700	228,700	223,122
Bank and Investments	600,329	419,558	481,248
Other Assets	22,711	24,695	13,667
Total Aseets	623,040	444,252	494,915
Liabilities	-211,736	-37,100	-71,197
Net Assets	411,305	407,152	423,719

In 2020 CNSW received a Covid Recovery Grant of \$182,500. This increased the bank balance but the liability balance also increased so there was no impact on net assets. This is because grants are money set aside to be used for a specific purpose.

Similarly, the bank balance decrease from 2018 to 2019 as the Regionalisation, PPEP and Coaching grants were spent. The purchase of a lawn mower for \$10,000 also increased other assets and decreased the bank account as this expense is spread over 10 years.

There has been mention of a Tempe Fund of \$340,000. This seems to be a reference to the total of Term Deposits and Managed Funds in 2018 which were \$340,000. If this was dedicated funds, a liability should have been set up in a way similar to grants. In any event the CRCC strategy has replaced this.

Club Covid Recovery Grants

Requests for the \$1,000 per club recovery grants have been received. We received a grant of \$62,000 being 65 clubs less clubs located at the same address (Ballina and West St Nowra) and Canberra which is in the ACT. In addition the actual number of clubs was incorrectly calculated as 65 when it was 67.

The terms of the grant are that clubs must declare that they were impacted by Covid, lost revenue and/or paid expenses and have not received any compensation for this loss. The maximum grant is \$1,000.

The total grant was \$182,500. I need to confirm if this amount is subject to GST. Our usual grants are not one-off grants are not but our annual grant is.

Action: Approve payment of up to \$1,000 per clubs for 67 clubs. The extra \$5,000 could come out of the CNSW grant but some clubs may not claim the full grant

Tempe Expenses

I have had notification from Cooks River Croquet Club that they have spent approximately \$22-25,000 making the Tempe site WHS compliant. CNSW is the licensee for the site and sub contracts lawn maintenance and site management to CRCC. As such CNSW is responsible for these expenses.

These expenses may be able to be paid out of the CNSW recovery grant. In any event I will need a formal application from CRCC for expense reimbursement as well as justification of the expenses.

Assuming the paperwork comes through in the next week or so I would propose that Kate Mc, Richard and myself review the paperwork and that approval be presented to the August board meeting

Action: CNSW notes the forecast expense and the recommended approval process

Cooks River Lawn Fees Lawn Fees

Cooks River have proposed a review of lawn fee payments to give CRCC some incentive to recruit new members. Based on past results the new basis is a cost saving to CNSW, although occasional players will pay more. This is only about 20 players per month and if they are regular have the option of joining CRCC. The proposed arrangements are:

1. Raise current fees from \$2.50 per session to \$6 per day for CNSW members
2. CRCC club day - CNSW members to pay \$6 to play.
3. CRCC to set its own rates for play. (\$2.50)
4. All moneys to be kept by CRCC
5. Management fee of \$200 per month to CRCC will stop July 2021.

Action: Agree to the CRCC fees, no lawn maintenance payment from CRCC to CNSW and no monthly maintenance payment from CNSW to CRCC.

Tournaments

Tournaments are back and entries are up. Rather than post a list of all payments I now do a reconciliation before each tournament after entries have closed. There is usually just one or two players to follow up.

Our current financial arrangements for tournaments mean that when tournaments are paid at other clubs there is a loss as the lawn hire fee (\$40 per lawn) plus management/promotion see (25% of fees) are more than the fees received less GST.

I propose to:

- Increase tournament entry fees from \$35 to \$50 from 1 January (Open events which are currently \$40 will increase to \$55 and doubles events will increase from \$20 to \$25)
- Maximum hire fees will be a maximum of 60% of fees received. On the new fee basis this is approximately the same as the current arrangements. The maximum avoids discussion about whether or not lawns were used efficiently.
- The Management fee should be 120% of the increased fees which is a dollar increase the previous 25%.

The financial impact is shown below:

CNSW Tournament Fees												
Entrants	Entry Fee	Fees Collected	Days	Lawns	Per Lawn	Lawn Charge before Max	Max Lawn Cost	Lawn Cost	% Fees	Payment to Club	GST	Profit after GST
Existing Basis												
4	35	140	2	1	40	80		80	35.00	115.00	12.73	12.27
6	35	210	2	2	40	160		160	52.50	212.50	19.09	-21.59
8	35	280	3	2	40	240		240	70.00	310.00	25.45	-55.45
10	35	350	3	3	40	360		360	87.50	447.50	31.82	-129.32
12	35	420	3	3	40	360		360	105.00	465.00	38.18	-83.18
16	35	560	3	3	40	360		360	140.00	500.00	50.91	9.09
									25%			
Proposed Basis												
4	50	200	2	1	40	80	120.00	80	40.00	120.00	18.18	61.82
6	50	300	2	2	40	160	180.00	160	60.00	220.00	27.27	52.73
8	50	400	3	2	40	240	240.00	240	80.00	320.00	36.36	43.64
10	50	500	3	3	40	360	300.00	300	100.00	400.00	45.45	54.55
12	50	600	3	3	40	360	360.00	360	120.00	480.00	54.55	65.45
16	50	800	3	3	40	360	480.00	360	160.00	520.00	72.73	207.27
							60%		20.0%			
							Maximum 60% of fees					

Action: Approve the increase in Tournament Fees from 1 January 2021

Steve Miles

CNSW Treasurer

16 July, 2020

Profit & Loss

July 2020

	This 2019/20 YTD	Last 2018/19 YTD	Full 2018/19	Full 2019/20	Forecast for Balance of Year	Current Forecast 2020/21	Forecast 2021/22	Comments
Income								
Affiliation Fees	-6	12,676	122,808	122,127	124,006	124,000	138,655	No invoices until 1 September
Tournament Entry Fees	1,545	3,718	14,045	7,822	16,669	18,214	21,429	Increase in fees from 1 January
Merchandise Profit	0	0		573	200	200		
Referee Instruction	0	0	641	0	0	-	0	
HQ Lawn & Equipment use	673	241	654	1,311	0	673	673	All handled by CRCC but this is last year
Presentation Day Income	0	150	1,564	1,110	1,200	1,200	1,224	Change of date
Other Income	0	2	38	908	0	0	0	Sale of Balls to Sutherland
GC Nationals 2019	0	0	26,450	0	0	0	0	
AC Nationals Income		0			27,000	27,000		
Insurance Levies	0	0	10,368	10,054	10,836	10,836	11,053	
Office of Sport Grant	0	0	15,000	15,000	15,000	15,000	15,000	
Investment Income	28	0	14,887	11,650	6,772	6,800	6,800	Lower interest rates but MF divs maintained
Investments Value Change	0	0	4,680	190	0			Better Managed Fund result than expected
Other small items	3	0	330	163	0	3	3	Mainly Yearbooks in 2017/18 and 2018/19
Total Income	2,242	16,787	211,466	170,908	201,684	203,926	194,836	
Expenses								
ACA Affiliation Fees	-	-	74,741	42,480	87,273	87,273	89,455	
ACA Affiliation Fee Rebate	(0)	-	-	42,358	0			CNSW Rebate
ACA Entry fees	-	-	1,542	1,484	1,600	1,600	1,600	
Lawn Maintenance	-	-	20,296	-	-			Payment to CRCC compared to mowing
Cooks River Croquet Club	7,500	8,100	6,500	30,983	22,500	30,000	28,000	\$7,500 per quarter
Lawn Fees to CRCC	-	-	-	-	-	0	0	Lawn Fees all handled by CRCC
Surrounds	-	-	220	850	1,000	1,000	1,000	
HQ Overheads	-	-	283	-	-	0	0	
Printing	-	-	154	114	250	250	250	
Year Books	-	-	962	-	1,000	1,000	1,030	
Stationery	-	-	788	163	250	250	250	
Postage	-	-	1,920	401	500	500	500	No printed newsletter or annual reports
Telephone	36	41	760	906	214	250	250	
Computer Expenses	112	112	2,131	2,046	7,888	8,000	8,000	Plus \$5,000 for new website
Catering & Housekeeping Outgo	-	-	1,161	-	1,200	1,200	1,236	
Presentation Day Outgo	-	-	1,718	2,693	3,000	3,000	3,090	Change of date
Gala Day	-	-	-	866	1,000	1,000	1,030	
Insurance	-	-	959	-	1,000	1,000	1,000	Not needed after refurbishment
Newsletter	-	-	3,453	-	1,000	1,000	1,000	
Legal Fees	-	-	16,212	750	-	0	0	
IT Fees	-	-	2,500	1,214	-	0	2,500	Go Daddy charges each 3 years
Audit Fees	-	-	1,500	1,500	1,600	1,600	1,700	
Other Consulting Fees	-	-	9,951	-	-	0	0	
Development Officer	-	-	-	1,456	-	0	0	
Club Lawn Hire	1,361	-	5,513	3,943	5,924	7,286	7,286	50% of entries outside Tempe, same 2021/22
Referee Instruction & Exam	-	-	2,158	562	750	750	750	
Coaching Expenses	-	-	87	220	750	750	750	
Repairs & Maintenance	-	-	2,458	-	1,000	1,000	1,000	Refurbishment of Clubhouse
Croquet Equipment	-	-	1,529	1,355	3,500	3,500	1,000	Another set of hoops and balls for lawn 4
State Teams	-	-	11,050	12,424	15,000	15,000	15,000	
Juniors Exps & Schools Grants	-	-	723	26	1,500	1,500	1,500	
Trophies	-	-	3,151	1,676	2,000	2,000	2,000	
Travel & Accomodation	-	-	5,487	1,942	3,000	3,000	3,000	
Sport NSW	-	-	409	423	450	450	475	Annual subscription
Publicity	-	-	7,706	55	1,000	1,000	1,000	
GC Nationals 2019	-	-	26,372	-	-	0	0	
Corporate Insurance	-	-	10,431	10,821	11,000	11,000	11,220	
Depreciation	-	-	2,538	2,328	11,500	11,500	500	
Other Expenses	-	12	232	121	-	0	0	
2021 AC National Championships	-	-	500	500	27,000	27,000	500	Annual Provision
Policy Compliance	-	-	-	-	-	-	-	
Bathroom Renovation	-	-	-	-	-	-	-	
Other Small Items	107	0	0	99	893	1,000	1,000	
Total Expenses	9,117	8,264	228,095	166,755	216,542	225,658	188,871	
Operating Profit	(6,874)	8,523	(16,630)	4,153	(14,858)	(21,732)	5,964	