

Treasurer's Report

2017-18



AGM: 29 May 2018

Graham Barber

Treasurer & Membership Secretary

Introduction

In summary, 2017-18 was another solid and successful year – in financial & membership terms – for the Society. Twelve months ago, at last season's AGM, I indicated that the Society would be drawing from our Reserves in 2017-18 to handle some challenges and invest in some membership benefits. Hence our financial plan for the year predicted a £2,421 deficit; however you will shortly see that we actually achieved a surplus of £311; details of why follow shortly.

Chart 1 (Simplified I&E)

Membership

Membership numbers hovered around our self-imposed cap of 200 for the whole season. We ended the financial year with a membership of 198, albeit with an average attendance for the fiscal year of 93 (47%). As of 31st March, we had 32 people on our waiting list, the longest wait being around 12 months. As we approach the end of this season, I will be again quite “pushy” in requesting those intending to leave the Society to let me know so that we can offer places to those that have been on our waiting list for a long time.

Moving on to financial matters:

Lectures & Programme Events

Most of the Lecturer & Programme Costs were roughly in line with expectations, although the higher quality (and well-received) handbook that we commissioned this season did take us over budget. Our major expenditure is the cost of hiring the Discovery Centre on a weekly basis and I indicated last year that we would be subject to a 100% rental increase from September 2017. For various reasons, Hampshire County Council did not implement this new rate until January 2018; hence we came in around £1,000 under budget for this line item (a big factor in not achieving our planned deficit for 2017-18). More news on future rates later when I look ahead to next year.....

Extra-Curricular Meetings

The normal Wednesday evening Special Interest Groups remain successful and, as a whole, achieved their financial objective of breaking even over the fiscal year. The two significant investment areas (called out by last year's Business Plan) namely Training & Workshops, were very well managed and came in just below their budgets. However, the money set aside for Social Outings and for Contingency (of £1000) remained unused. This was the second major factor in not spending the planned amount of money for the year. Both of these items have been removed from next year's Business Plan.

Exhibitions

Financially, both exhibitions were generally in line with expectations. The major cost of our Exhibition Software which was spread over 4 years has now been fully accounted for and therefore will not appear in future years' accounts.

Catering, Miscellaneous, Fixed Assets & Interest

From the I&E chart, you will see that there are no major surprises in these areas with income and expenditure being well in line with the set budget.

Bottom Line

As already indicated, the above factors resulted in a Net Surplus of £311.69 against a planned Deficit of £2421.

Whilst we were unsuccessful on drawing on the Society Reserves as planned, I do not wish to dwell any further on these numbers as the Society faces some interesting challenges ahead.

Chart 2 (Simplified Balance Sheet)

Balance Sheet

For financial completeness, the Society Balance Sheet is included for information but I do not plan to spend time on discussing it unless there are any questions. The only factor that I wish to highlight is that our Accumulated Fund (that is all of our assets less all our liabilities) has now grown to £26,338.77, significantly more than the Society actually needs.

Chart 3 (Business Plan Summary)

Business Plan

The Society established a Business Plan 2 years ago and it is updated annually to reflect our Business & Financial Priorities over the next 5 years. I want to emphasise two important drivers in the business Plan:

1. Firstly, The Society has an excess of money sitting unused in our Bank and Building Society accounts. The committee have once again carried out a full risk assessment on how much the Society should retain for unforeseen circumstances and that figure is set aside. The remainder (referred to as our “Surplus Reserves”) will be invested for member benefits, although circumstances have caused a change in priorities for the next few years.
2. This time last year, I reported a 100% increase in our DC rental rates, our largest expenditure item. From September 2018, we are subject to a non-negotiable further 32% rise. The net figure is that from September 2017 to September 2018, our evening meeting fee rises from £90 per evening to ~£238 per evening. Putting this in context, if the full cost of the rental rise was passed on in membership subscriptions, the resultant increase would be over £21 per person. So far, our standard rate has risen by just £8.

Hence our financial intentions have been adapted for the coming seasons:

1. Our Lecture Programme remains the Society’s key benefit and continued above-inflation investment of 5% per annum is planned.
2. Investments in the Training & Workshops Programme will continue, however the Society subsidies will be phased back over time.
3. We will use some of our “Surplus Reserves” in the next 4 years to smooth out the major impact that the DC rental rise would have had on membership subscription rates.

I will shortly be proposing, therefore, a 10% rise in our standard and joint Subscriptions to £75 and £132 respectively, with Student & Visitor rates unchanged.

My outlook is that in order to catch up with the imposed DC rental rises (and not exhaust all of the money in our bank), I expect further rises over the following 3 years of 10%, 10% and 7%. There is a big assumption in those figures that further DC rental rises will be no more than 5% per annum, although that figure is almost impossible to predict. If valid however, our subscriptions will be in line with DC rental costs by 2022/23 & hence in the future they will be directly linked together.

Chart 4 (Budget & Forecast)

Budget & Forecast

The Budget & Forecast Chart illustrates how all of this may be achieved with the information that we know about now. There is a wealth of data on the chart which I encourage members to study but it would take me most of the night to present it all. Some key points:

- The Balance Sheet section at the foot of the table quantifies our Reserves and indicates that we have just over £11,500 available for the investment priorities that I have outlined.
- We are actively planning for a Deficit of £4,624 for the next fiscal year for the reasons that I have outlined and we should not be alarmed by this planned figure. I emphasise: our Surplus Reserves will fund this figure.
- Over time, our planned annual Deficit reduces and our Surplus Reserves will reduce; both aiming for zero by the mid 2020's. Achieving that has been compared to Treasurer being an Air Traffic Controller: attempting to land two aircraft at the same time (while a third aircraft – representing the DC rental rises – is taking off out of his control)!

A full set of Accounts which have been independently verified is available on request to the Treasurer.

Open questions at the AGM are always welcome, however if answers are likely to require research, I would appreciate an advance e-mail so that I can provide a comprehensive answer without holding up the meeting.

Chart 5 (Motions)

AGM Vote

At the Annual General Meeting, on behalf of the committee, I will hence be proposing:

1. Agreement to a rise in the Subscription Fees as follows:
 - Standard: £75 (from £68)
 - Joint: £132 (from £120)
 - Student: £10 (unchanged)
 - Visitor: £5 (from £4).
2. Society Approval of the 2018-19 Business Plan, distributed with this report.

Graham Barber LRPS AICB

Treasurer & Membership Secretary

Five charts follow:

1. *Simplified Income & Expense for 2017-18*
2. *Simplified Balance Sheet for 2017-18.*
3. *Business Plan Overview*
4. *Budget & Forecast for 2018-23*
5. *Motions Proposed by the Treasurer.*

WINCHESTER PHOTOGRAPHIC SOCIETY SIMPLIFIED VIEW - I&E - 31st March 2018

	2017-18				2016-17	Notes
	Income	Expense	Net	Budget		
Lectures						
Standard Lecturers		£ 620.90	-£ 620.90		-£ 1,121.00	
Spring or Autumn Lecture	£ 630.00	£ 600.00	£ 30.00	-£ 1,750	£ 194.20	
Ticketed Lectures	£ 147.50	£ 1,018.50	-£ 871.00		£ 83.00	
WPS Visitors	£ 224.00		£ 224.00	£ 160	£ 160.00	
			-£ 1,237.90	-£ 1,590	-£ 683.80	
Programme						
Subscriptions	£ 12,514.00		£ 12,514.00	£ 12,320	£ 10,653.00	
Judges		£ 498.50	-£ 498.50	-£ 550	-£ 550.50	
Discovery Centre		£ 4,320.00	-£ 4,320.00	-£ 5,355	-£ 3,960.00	DC Rental Rise applied later than plan
Handbook		£ 800.00	-£ 800.00		-£ 280.00	Significant Improvements implemented
Competition Expense		£ 166.75	-£ 166.75	-£ 575	-£ 165.00	
Other Room Hiring		£ 117.50	-£ 117.50		-£ 112.50	
			£ 6,611.25	£ 5,840	£ 5,585.00	
Extra-Curricular Meetings						
AV Group	£ 10.00	£ 22.50	-£ 12.50		-£ 24.50	
Beginners Group	£ 148.00	£ 203.00	-£ 55.00		-£ 40.00	
Distinctions Group	£ 229.00	£ 155.35	£ 73.65		-£ 4.50	
Enhanced Reality	£ 64.00	£ 117.50	-£ 53.50	£ -	£ 11.35	
SmartPhone Group	£ 134.00	£ 123.50	£ 10.50		£ -	
Improvers Group	£ 258.00	£ 189.71	£ 68.29		£ -	
Panels Group	£ 195.00	£ 172.42	£ 22.58		-£ 80.69	
Training	£ 1,407.00	£ 2,487.40	-£ 1,080.40	-£ 1,200	-£ 1,110.50	Well managed Investment
Workshops	£ 1,403.25	£ 2,413.09	-£ 1,009.84	-£ 1,200	-£ 331.26	Well managed Investment
Outings & Social	£ -	£ -	£ -	-£ 200	£ -	£200 unused
Contingency Budget	£ -	£ -	£ -	-£ 800	£ -	£800 contingency unused
			-£ 2,036.22	-£ 3,400	-£ 1,580.10	
Print Exhibition 2017						
Exhibition 2017 Income	£ 1,463.52		£ 1,463.52		£ 1,937.10	
Exhibition 2017 Expense		£ 1,839.49	-£ 1,839.49		-£ 1,945.55	
Software Apportionment		£ 250.00	-£ 250.00		-£ 250.00	
			-£ 625.97	-£ 250	-£ 258.45	£2000 over 4 years (ends 2017-18)
PDI Exhibition 2017						
WNE 2017 Income	£ 5,634.00		£ 5,634.00		£ 5,258.50	
WNE 2017 Expense		£ 3,707.20	-£ 3,707.20		-£ 3,667.41	
Software Apportionment		£ 250.00	-£ 250.00		-£ 250.00	
			£ 1,676.80	£ 1,300	£ 1,341.09	£2000 over 4 years (ends 2017-18)
Catering						
Tea & Coffee	£ 1,369.38	£ 496.00	£ 873.38		£ 1,229.33	"Normal" Tuesdays
Other Catering		£ 741.28	-£ 741.28		-£ 1,410.87	"Wine & Nibbles" Tuesdays
			£ 132.10	-£ 200	-£ 181.54	
Miscellaneous						
Miscellaneous Income	£ 22.00		£ 22.00		£ 472.00	
Fees		£ 1,057.00	-£ 1,057.00		-£ 1,000.42	
Office Supplies		£ 136.32	-£ 136.32		-£ 132.50	
Miscellaneous Expense		£ 845.08	-£ 845.08		-£ 1,520.41	
			-£ 2,016.40	-£ 1,800	-£ 2,181.33	
Fixed Assets						
Depreciation		£ 2,095.00	-£ 2,095.00		-£ 2,358.00	Excludes PhotoEx (presented under Exhibitions)
Fixed Asset Expenses		£ 147.91	-£ 147.91		£ -	
Fixed Asset Income	£ -		£ -		£ 39.00	
			-£ 2,242.91	-£ 2,400	-£ 2,319.00	
Interest Income	£ 50.94		£ 50.94	£ 79	£ 79.41	
SURPLUS/(DEFICIT) FOR THE PERIOD	£ 25,903.59	£ 25,591.90	£ 311.69	-£ 2,421	-£ 198.72	Surplus achieved against Planned Deficit of £2421

WINCHESTER PHOTOGRAPHIC SOCIETY
SIMPLIFIED VIEW - Balance Sheet - 31st March 2018

		2016-17	<u>Notes</u>
<u>FIXED ASSETS</u>			
Trophies	£ 5,214.00	£ 5,265.00	
Equipment	£ 4,779.88	£ 6,702.05	Little new equipment
Exhibition Software	£ 500.00	£ 1,000.00	
Depreciation for the year	-£ 2,595.00	-£ 2,858.00	
<u>TOTAL FIXED ASSETS</u>	£ 7,898.88	£ 10,109.05	
<u>CURRENT ASSETS</u>			
Prepayments	£ 536.71	£ 603.61	2018/19 expenses
Creditor (Hall Bookings & Deposits)	£ 97.50		
Cash, PayPal, Bank & B.Soc. Accounts	£ 18,413.16	£ 15,469.47	
<u>TOTAL CURRENT ASSETS</u>	£ 19,047.37	£ 16,073.08	
<u>LESS CURRENT LIABILITIES</u>			
Accruals	£ 402.67	£ -	2018/19 income
Adjustment for 2018 Exhibition	£ 204.81	£ 155.05	Accrued into 2018/19
<u>TOTAL CURRENT LIABILITIES</u>	£ 607.48	£ 155.05	
<u>NET CURRENT ASSETS</u>	£ 18,439.89	£ 15,918.03	
<u>NET ASSETS</u>	£ 26,338.77	£ 26,027.08	
<u>REPRESENTED BY:</u>			
Accumulated Fund at 1 April 2017	£ 26,027.08	£ 26,225.80	
Surplus/(Deficit) for the year	£ 311.69	-£ 198.72	
Accumulated Fund c/f 31 March 2018	£ 26,338.77	£ 26,027.08	

WPS Business Plan 2018-19

Objective

Map out the Financial & Business Strategy of the Society to meet the needs of our Members over the next 5 years

Considerations

"Excess" of available money unused in Bank / Buiding Society Accounts
Major increases in DC Rental (100% in Jan. 2018 & 32% in Sep. 2018)

Financial Intentions

As in previous years, analyse Reserved Funds to set aside for unexpected circumstances
Invest remaining "Surplus Funds" for Member Benefits:

1. Continued increase in funding major Lecture Programme (5% yearly)
2. Continue Investments in Training & Major Workshops, but phase down subsidies over time
3. Smooth impact of DC Rental rises with Society Subsidies for next 4 years

Membership Subscription Implications

2018/19:	Standard Rate rises from £68 to £75 (~10%) Proportional Joint Rate rise from £120 to £132 Student (£10) & Visitor (£5) rates unchanged)
2019/20 - 2021/22:	Expect Further "catch-up" rises: 10%, 10%, 7%
2022/23 & beyond:	Subscription rises linked to DC Rental rises

Winchester Photographic Society Budget & Forecast

		Completed Year		Budget	Forecast				
		2017-18		2018-19	2019-20	2020-21	2021-22	2022-23	Assumption
		Actual	Budget						
Membership									
	Number (@ YE)	198	200	200	200	200	200	200	Flat
	Individual Subs	£68	£68	£75	£82	£91	£97	£101	Manually set until 21/22 then proportionally linked to DC rent
				10.0%	10.0%	10.0%	7.0%	4.0%	
	Subs per Member	£63	£62	£70	£76	£84	£90	£94	
Lectures									
	Lecturers	-£621	-£750	-£750	-£788	-£827	-£868	-£912	5% increase (Investment)
	Spring / Autumn Lecture	£30	£0	£0	£0	£0	£0	£0	Break even target
	Ticketed Events	-£871	-£1,000	-£915	-£960	-£1,008	-£1,059	-£1,112	5% increase (Investment)
	WPS Visitors	£224	£160	£200	£200	£200	£200	£200	Flat
	Subtotal	-£1,238	-£1,590	-£1,465	-£1,548	-£1,635	-£1,727	-£1,823	
Programme									
	Subscriptions	£12,514	£12,320	£12,640	£15,295	£16,824	£18,002	£18,722	As above
	Discovery Centre	-£4,320	-£5,355	-£8,273	-£8,686	-£9,121	-£9,577	-£10,056	Assumption post 2018/19:
£15	DC Technician (50% proposal)	£0	£0	-£252	-£699	-£734	-£771	-£810	5% inflation
	Judges	-£499	-£550	-£509	-£519	-£530	-£540	-£551	2% inflation
	Handbook	-£800	-£200	-£800	-£816	-£832	-£849	-£866	2% inflation
	Other Programme Expense	-£284	-£375	-£290	-£295	-£301	-£307	-£314	2% inflation
	Subtotal	£6,611	£5,840	£2,517	£4,279	£5,306	£5,958	£6,127	
Extra-Curricular									
	Special Interest Groups	£54	£0	£0	£0	£0	£0	£0	Break even target
	Training	-£1,080	-£1,200	-£1,200	-£1,100	-£1,000	-£800	-£750	Phase back subsidies
	Workshops	-£1,010	-£1,200	-£1,200	-£1,200	-£1,100	-£1,000	-£750	Phase back subsidies
	Outings & Social	£0	-£200	£0	£0	£0	£0	£0	Remove
	Contingency Budget	£0	-£800	£0	£0	£0	£0	£0	Remove
	Subtotal	-£2,036	-£3,400	-£2,400	-£2,300	-£2,100	-£1,800	-£1,500	
Exhibitions									
	Print Exhibition 2017	-£626	-£250	-£500	-£500	-£500	-£500	-£500	PhotoEx paid for
	WNE 2017	£1,677	£1,300	£1,500	£1,500	£1,500	£1,500	£1,500	PhotoEx paid for
	Subtotal	£1,051	£1,050	£1,000	£1,000	£1,000	£1,000	£1,000	
Other									
	Catering Net	£132	-£200	£0	£0	£0	£0	£0	Break even target
	Fees (PayPal, SCPF, PLI, Website)	-£1,057	-£1,000	-£1,089	-£1,121	-£1,155	-£1,190	-£1,225	3% inflation
	Miscellaneous Expense	-£959	-£800	-£988	-£1,017	-£1,048	-£1,079	-£1,112	3% inflation
	Asset Depreciation & Expense	-£2,243	-£2,400	-£2,250	-£2,250	-£2,250	-£2,250	-£2,250	Continued investment
	Interest	£51	£79	£50	£40	£35	£30	£25	Decreasing with Surplus
	Subtotal	-£4,076	-£4,321	-£4,276	-£4,349	-£4,418	-£4,489	-£4,562	
	Overall Surplus / Deficit	£312	-£2,421	-£4,624	-£2,918	-£1,847	-£1,058	-£759	Head towards Zero
Balance Sheet									
	Accumulated Fund	£26,339							
	Non-Cash Assets	£7,926							
	Liquid Assets (Money) Available	£18,413							
	Reserved for Risks	£6,904							
	Surplus Reserves Remaining	£11,509		£6,885	£3,966	£2,119	£1,061	£303	Target Zero over time

Motions Proposed by the Treasurer:

1 That the Subscription Rates for 2018/19 be set at:

- Standard: £75
- Joint: £132
- Student: £10
- Visitor: £5

2 That the 2018/19 Business Plan, as distributed & summarised today, be approved.

Graham Barber LRPS, AICB
Treasurer