

## KEN SNELGROVE - TREASURER'S REPORT TO AGM - 6 DECEMBER 2017

Islwyn has outlined the financial position of the Club relating to the last 12 months. As I am finally standing down from the role of Club Treasurer, at the third attempt, I thought it would be appropriate to give a brief summary of how the role of the Treasurer and the Club's finances, have changed over the 10 years since I was elected to the position in December 2007.

At the time of my election, the role of the Treasurer was one of cheque signing, overseeing of the financial statements, completion of the quarterly VAT returns and liaising with our Bankers, HSBC.

All the computer inputting, bank reconciliations, payroll, and provision of year end information to our Accountants, was undertaken by the then Secretary, John Jones and his wife June, both of whom were remunerated for their time.

All that changed in 2011 when John Jones resigned, leaving me to learn the workings of Sage Accounting and Sage Payroll, and Clive, succeeded by Paul, undertaking the role of Club Secretary. Both positions have been undertaken on a voluntary basis, saving the Club some £8,000 per annum. Over the years extra duties have evolved such as CASC considerations, workplace pensions and changes arising out of the VAT treatment on green fees.

My overall aim has been to provide accurate and up to date financial reports to the committee on a monthly basis, to assist in decision making, and to ensure a stable financial base for the club.

My ten years in office have shown consistent profitability with an overall loss in only two years - my first year, and then in 2016, which arose as a result of an under payment of tax for the 2015 year.

The objectives of the executive committee have always been to provide good course and clubhouse facilities, for members and visitors alike, at a fair cost, and which I believe, have largely been met.

In hindsight, some of the decisions made by the committee could arguably have been done differently such as not raising subscriptions for 4 years, and purchasing equipment through the overdraft rather than on loan. But overall, I believe the club remains stable from a financial point of view.

Costs have continually been reviewed, and this year has seen the introduction of member loans. A sum of £35,000 was raised in this way and used to repay the Bank loan taken in December 2015 to finance a new greens mower, and to pay for essential improvements to the wash down area by the machinery sheds to meet the current legislation regarding pollution, at a cost of £15,000.

With the loan interest and repayments to members being paid on an annual basis, rather than monthly, and timed to coincide with the receipt of member subscriptions, AND being paid at a lower interest rate than we would have paid the Bank, we have and will see a benefit in our cash flow.

This year the club has been required to undertake a comprehensive review of our compliance with Employee Contracts legislation together with Health and Safety and Fire Regulations, as all three areas were deemed to be well outside current legislation.

Without expertise in these fields within the Executive Committee and the Club, outside consultants have had to be employed to ensure compliance with the legislation, the cost of which is impacting on our current bank overdraft.

In the last month I have secured a temporary £10,000 increase in the Bank overdraft facility, taking it to £60,000 for the months of December and January. This will see us through until the receipt of subscriptions during January. Early payment of subscriptions would be appreciated.

The budgets for 2017/8 indicate a cash requirement of c£30,000 to finance various projects - the covered bays on the practice area (net cost £9,000 after a grant of £19,000), tee signage (£6,000 net of first year sponsorship), and Fire + Health and Safety remedial work (£5,000), course improvements (£10,000) - all of which will impact on the Club's finances. We did of course raise c£5,000 from race nights towards the cost of the covered bay area courtesy of Julia and Dirk den Hartog.

In the event that the positions of Secretary and Treasurer are not filled from within the membership, it would be necessary for the Club to revert to paid assistance for these roles creating a further cost to our finances.

The committee will need to decide a structure for this expenditure over the next 6 months, either by negotiating a new loan facility, organising additional fund raising events or a restructuring of the existing bank loan.

I believe that the club has the capacity to do this, although it remains dependent upon maintaining our membership and green fee income at existing levels. My own personal opinion is that member subscriptions should increase by more than that now proposed by the executive committee.

I appreciate that some of you may feel that the club is not run as you would like it to be, and maybe it is to time to look at the whole structure as to how the Club is managed.

As a CASC, (Community Amateur Sports Club), we currently benefit through not paying rates, a saving of around £20,000 per year, and we are also subject to tight regulations regarding trading income.

Any move to bring the restaurant within our current structure would take us above the permitted CASC threshold of £100,000 trading income. Our current trading income is £65,000.

Furthermore, to restructure the club into a limited company would necessitate reapplication for CASC status without any certainty of success.

As I understand it, there could also be implications regarding capital gains on the transfer of land ownership should such a venture be undertaken.

The next few years will indeed be very interesting for Cardigan Golf Club.

I would like to take this opportunity to thank all who have served with me on the Executive Committee over the years, for their support, particularly the club chair persons and captains, and all who have helped in the financial wellbeing of the Club through open competitions, quiz nights, fund raising events and members loans.

I wish the new Executive Committee, and Cardigan Golf Club every success for the future.

Thank you.

Ken Snelgrove