

# ***Treasurer's Report***

## ***2016-17***



*AGM: 30 May 2017*

*Graham Barber*

*Treasurer*

## Introduction

In summary, 2016-17 was a solid and successful year – in financial & membership terms – for the Society. Twelve months ago, at last season's AGM, the Society adopted – for the first time – a Business Plan to drive our focus areas and investments and to identify a Budget and Forecast for the subsequent 4 years. Whilst not perfect - by definition, forecasts never are – the plan proved to be a very useful tool for identifying the investments we needed for the benefit of our members.

The Business Plan called for specific investments in the areas of Formal Education, Professional Workshops, Outings & Social and further Special Interest Groups. To fund this activity, the Society would draw on the excess Reserve Funds that we had in the bank for a period of four years to kick start many of the activities. A consequent Operating Deficit of £1,050 was predicted for this Financial Year. Our actual Operating Deficit ended up at slightly under £200, so I would like to review our progress against the Business Plan. At the AGM, I will use the charts at the end of this plan to illustrate the key points below.

## Membership

At the end of 2015-16, our membership stood at 190. We predicted a rather conservative membership of 180 in the Business Plan, but with a large Waiting List and a significant number of empty seats in the Presentation Hall, the Committee raised the season-start cap and through the season our membership grew to its current level of 196. This action is consistent with the management actions taken by the committee over the last few years. This fact, together with an increase in Visitor numbers resulted in a higher than predicted Income stream.

## Programme Events

Most of the other Programme Costs were roughly in line with expectations. Unlike the previous season, we reverted to norm and had a Spring Lecture, a ticketed event for members and non-members, resulting in a higher income stream. On the expense side, the major unexpected event was the January relocation to Ashburton Hall. Despite being offered a discounted rate, this one month room rental cost the Society £1080, against a normal monthly rental fee of £360 at the Discovery Centre. More about the Discovery Centre future costs is covered later, however.

## Extra-Curricular Meetings

Possibly as a result of new extra-curricular activities being offered by the Society affecting attendance, in combination with the reduced attendance fee of £2, the net deficit for our Wednesday Special Interest Groups was around £90 against a planned surplus of £250. I would like to focus, however, on the new investment areas for 2016-17.

Firstly, the new formal Education Programme was very successful with almost all classes being fully subscribed. Against a budget of £1200, the programme came in very close at a net cost of £1110. The budgets for Enhanced Workshops (£1800) and Social & Outings (£400) were maybe over-ambitious and the resultant net cost to the Society was £331 instead of £2200. This, I believe, was the major reason for us under-achieving our spending plans this season.

## Exhibitions

Financially, both exhibitions were in line with expectations although the income from the second year of the Winchester National Exhibition (WNE) did not quite achieve the levels of its inaugural season. This effect is actually in line with the second year of other national exhibitions, we have since found out.

## Catering

Our normal Tuesday “Tea & Coffee” evenings were in line with expectations with a surplus of £1229. This year, this was not quite enough to fund the “Wine & Nibbles” evenings, resulting in a net deficit of £182 (against a rather ambitious predicted surplus of £200).

## Miscellaneous

Most miscellaneous Income & Expense was in line with expectations. We funded a one-off re-branding programme to modernise our image in 2016-17 plus we had a (financially) unsuccessful Wall calendar programme. These two activities increased our net deficit from a predicted £1800 to an actual £2181.

## Fixed Assets

Expense was in line with expectations with the Society continuing asset investments including Exhibition equipment, a tripod head for our camcorder and further logistical support materials for Tuesday evenings.

## Interest

A further fall in interest rates resulted in a drop in Interest income from £110 to around £80.

## Bottom Line

As already indicated, the above factors resulted in a Net Deficit of £198.72 against a Deficit plan of £1050. The investments made for member benefits were welcome however, as last season we made an unnecessary surplus of over £3400.

## Future Budget & Forecast

Moving to the second chart, it is now time to look ahead. One factor dominates our forward thinking: from November 2017, our rental charge for the Presentation Hall will rise from £360 per month to approximately £720 per month. Yes, our major expense item for the Society will rise by 100%. In context, we have been fortunate to have been charged a flat low rate for more years than any of us can remember. In a 5-meeting month, we have effectively been paying £60 plus VAT per meeting for the facilities, a sum that is unlikely to cover Patrick’s expenses on the desk outside. I have spent a long time in negotiations with Council staff and the deal on the table is the best available and hence we have to consequently plan around it.

In context, if the full cost of the rental rise was passed on in membership subscriptions, the resultant increase would be over £16 per person. I am therefore proposing the following:

- 50% of the rise is passed to members with the resultant increase in subscriptions from a standard £60 to £68 per year. In context, this would be the first increase since 2012.
- In the next few years, a phasing down of the subsidies paid by the Society for Education, Professional Workshops, Social & Outings together with a phased increase in Subscription fees of £4 per year.
- By 2020/21, The Society would be operating on a break-even basis, with our Excess Reserves fully expended to cover the short-term financial challenges.

The Budget & Forecast Chart illustrates how this may be achieved with the information that we know about now. I believe that this balanced approach is the best way in using our Surplus Reserve in protecting members against a major sudden subscription rise but still preserving significant investments in activities for the benefit of members. On an associated point, it is proposed that the standard attendance rate for our Special Interest Groups increases from £2 to £3 from next season with the target of break-even for the normal Wednesday events.

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.

## **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: £68 (from £60)
  - Joint: £120 (from £105)
  - Student: £10 (unchanged)
  - Visitor: £5 (from £4).
2. Society Approval of the 2017-18 Business Plan, distributed with this report.

**Graham Barber**

**Treasurer & Membership Secretary**

*Three charts follow:*

1. *Simplified Income & Expense for 2016-17*
2. *Budget & Forecast for 2017-21*
3. *Simplified Balance Sheet for 2016-17.*

*Latest Income and Expense Report (from Annual Accounts)*

## WINCHESTER PHOTOGRAPHIC SOCIETY

### SIMPLIFIED VIEW - I&E - 31st March 2017

							Notes
		2016-17				2015-16	
		Income	Expense	Net	Budget		
<b>Programme</b>							
	Subscriptions	£ 10,653.00		£ 10,653.00	£9,900	£ 10,423.00	Membership (31 March): 196
	WPS Visitors	£ 160.00		£ 160.00	£125	£ 126.00	
	Ticketed Events	£ 1,528.00	£ 1,250.80	£ 277.20	-£115	£ 1,716.00	
	Discovery Centre		£ 3,960.00	-£ 3,960.00	-£3,168	-£ 2,880.00	Currently £360 per month (Ashburton £1080)
	Lecturers		£ 1,121.00	-£ 1,121.00	-£1,252	-£ 3,089.65	
	Judges		£ 550.50	-£ 550.50	-£500	-£ 495.46	
	Handbook		£ 280.00	-£ 280.00	}	-£ 280.00	
	Competition Expense		£ 165.00	-£ 165.00	}	-£ 179.50	
	Other Room Hiring		£ 112.50	-£ 112.50	}	-£ 22.50	
				£ 4,901.20		£ 5,317.89	
<b>Extra-Curricular Meetings</b>							
	AV Group	£ 88.00	£ 112.50	-£ 24.50	}	£ 23.50	First year @ £2/meeting
	Beginners Group	£ 97.00	£ 137.00	-£ 40.00	}	£ -	
	Distinctions Group	£ 1.50	£ 6.00	-£ 4.50	}	£ 56.00	
	Enhanced Reality	£ 82.00	£ 70.65	£ 11.35	}	£ -	
	Panels Group	£ 130.00	£ 210.69	-£ 80.69	}	£ 21.15	
	Education	£ 1,708.00	£ 2,818.50	-£ 1,110.50	-£1,200	£ -	New investment
	Outings & Social	£ -	£ -	£ -	-£400	£ -	New investment
	Workshops	£ 1,771.00	£ 2,102.26	-£ 331.26	-£1,800	£ 152.61	Extended investment
				-£ 1,580.10		£ 253.26	
<b>Print Exhibition 2016</b>							
	Exhibition 2016 Income	£ 1,937.10		£ 1,937.10		£ 1,695.15	2016 Exhibition contained in these accounts
	Exhibition 2016 Expense		£ 1,945.55	-£ 1,945.55		-£ 1,643.46	
	Software Apportionment		£ 250.00	-£ 250.00		-£ 250.00	£2000 over 4 years (ends 2017)
				-£ 258.45	-£200	-£ 198.31	
<b>PDI Exhibition 2016</b>							
	WNE 2016 Income	£ 5,258.50		£ 5,258.50		£ 5,888.00	
	WNE 2016 Expense		£ 3,667.41	-£ 3,667.41		-£ 3,929.61	
	Software Apportionment		£ 250.00	-£ 250.00		-£ 250.00	£2000 over 4 years (ends 2017)
				£ 1,341.09	£1,700	£ 1,708.39	
<b>Catering</b>							
	Tea & Coffee	£ 1,615.16	£ 385.83	£ 1,229.33		£ 1,282.47	"Normal" Tuesdays
	Other Catering		£ 1,410.87	-£ 1,410.87		-£ 1,126.29	"Wine & Nibbles" Tuesdays
				-£ 181.54	£200	£ 156.18	
<b>Miscellaneous</b>							
	Miscellaneous Income	£ 472.00		£ 472.00		£ -	Calendar sales
	Fees		£ 1,000.42	-£ 1,000.42		-£ 964.68	
	Office Supplies		£ 132.50	-£ 132.50		-£ 329.54	
	Miscellaneous Expense		£ 1,520.41	-£ 1,520.41		-£ 332.15	Includes £675 Calendar costs & one-off Branding
				-£ 2,181.33	-£1,800	-£ 1,626.37	
<b>Fixed Assets</b>							
	Depreciation		£ 2,358.00	-£ 2,358.00		-£ 2,305.00	Excludes PhotoEx (presented under Exhibitions)
	Fixed Asset Expenses		£ -	£ -		-£ 25.50	
	Fixed Asset Income	£ 39.00		£ 39.00		£ 10.00	
				-£ 2,319.00	-£2,400	-£ 2,320.50	
<b>Interest Income</b>							
		£ 79.41		£ 79.41	£110	£ 110.25	
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>							
		£ 25,619.67	£ 25,818.39	-£ 198.72	-£1,050	£ 3,400.79	

## Financial Plan and Forecast

### Winchester Photographic Society Budget & Forecast (2017-21)

Completed Year				Budget		Forecast			
2016-17				2017-18	Assumption	2018-19	2019-20	2020-21	Assumption
	Actual	Budget	Comment						
<b>Membership</b>									
Number (@ YE)	196	180	<i>Budget conservative</i>	200		200	200	200	<i>Flat</i>
Individual Subs	60	£60		£68	<i>Covers 50% HCC rise</i>	£72	£76	£80	<i>Depends on HCC Rental</i>
Subs per Member	£54.35	£55	<i>Joint &amp; Part-season</i>	£62		£65	£68	£72	
<b>Income Items</b>									
Subscriptions	£10,653	£9,900	<i>Higher membership</i>	£12,320	<i>As above</i>	£13,044	£13,697	£14,494	<i>As above</i>
Visitors & Events	£160	£125		£160	<i>Flat @ £5/session</i>	£160	£160	£160	<i>Flat</i>
Interest	£79	£110		£79	<i>Flat</i>	£70	£50	£30	<i>Decreasing with Surplus</i>
<b>Subtotal</b>	<b>£10,892</b>	<b>£10,135</b>		<b>£12,559</b>		<b>£13,274</b>	<b>£13,907</b>	<b>£14,684</b>	
<b>Expense Items</b>									
Discovery Centre	-£3,960	-£3,168	<i>Ashburton effect</i>	-£5,355	<i>HCC major increase</i>	-£6,480	-£6,739	-£7,009	<i>4% inflation post 4/18</i>
Lecturers	-£1,121	-£1,252		-£2,000	<i>Still an estimate</i>	-£2,100	-£2,205	-£2,315	<i>5% increase</i>
Judges	-£551	-£500		-£550	<i>Flat</i>	-£567	-£583	-£601	<i>3% inflation</i>
Programme Expense	-£558	-£500		-£575	<i>Minor inc.</i>	-£592	-£610	-£628	<i>3% inflation</i>
Miscellaneous	-£2,181	-£1,800	<i>Loss on Calendars</i>	-£1,800		-£1,854	-£1,910	-£1,967	<i>3% inflation</i>
Assets & Depreciation	-£2,319	-£2,400		-£2,400		-£2,400	-£2,400	-£2,400	<i>Continued investment</i>
<b>Subtotal</b>	<b>-£10,689</b>	<b>-£9,620</b>		<b>-£12,680</b>		<b>-£13,993</b>	<b>-£14,447</b>	<b>-£14,920</b>	
<b>Net Items</b>									
Ticketed Events	£277	-£115	<i>High external sales</i>	£250	<i>Flat</i>	£250	£250	£250	<i>Flat</i>
Special Interest Groups	-£138	£250	<i>Lower attendance</i>	£0	<i>Break even target</i>	£0	£0	£0	<i>Break even target</i>
Catering	-£182	£200		-£200	<i>Flat</i>	-£200	-£200	-£200	<i>Flat</i>
<b>Investments</b>									
Workshops	-£331	-£1,800	<i>Conservative investment</i>	-£1,200	<i>Increase investment</i>	-£1,000	-£750	-£500	<i>Phase back subsidies</i>
Education & Training	-£1,111	-£1,200		-£1,200	<i>Continue</i>	-£1,000	-£800	-£650	<i>Phase back subsidies</i>
Outings & Social	£0	-£400	<i>No investment</i>	-£200	<i>Increase investment</i>	-£150	-£100	-£40	<i>Phase back subsidies</i>
Contingency for Other	£0	£0		-£800	<i>New in 2017-18</i>	-£600	-£200	£0	<i>Phase out</i>
<b>Subtotal</b>	<b>-£1,484</b>	<b>-£3,065</b>		<b>-£3,350</b>		<b>-£2,700</b>	<b>-£1,800</b>	<b>-£1,140</b>	
<b>Exhibitions</b>									
Print Exhibition	-£258	-£200		-£250	<i>Roughly equal</i>	£0	£0	£0	<i>PhotoEx paid for</i>
National Exhibition	£1,341	£1,700		£1,300	<i>Roughly equal</i>	£1,500	£1,500	£1,500	<i>PhotoEx paid for</i>
<b>Subtotal</b>	<b>£1,083</b>	<b>£1,500</b>		<b>£1,050</b>		<b>£1,500</b>	<b>£1,500</b>	<b>£1,500</b>	
<b>Surplus/Deficit</b>	<b>-£198</b>	<b>-£1,050</b>		<b>-£2,421</b>		<b>-£1,918</b>	<b>-£841</b>	<b>£124</b>	<i>Break even post 2020/21</i>
<b>Surplus Reserves Remaining</b>	<b>£5,056</b>	<b>£4,556</b>		<b>£2,635</b>		<b>£717</b>	<b>-£124</b>	<b>£0</b>	<i>Target Zero by 2020/21</i>

WINCHESTER PHOTOGRAPHIC SOCIETY					
SIMPLIFIED VIEW - Balance Sheet - 31st March 2017					
				2015-16	Notes
<b><u>FIXED ASSETS</u></b>					
Trophies	£ 5,265.00			£ 5,315.00	
Equipment	£ 6,702.05			£ 7,716.22	
Exhibition Software	£ 1,000.00			£ 1,500.00	
Depreciation for the year	-£ 2,858.00			-£ 2,805.00	
<b><u>TOTAL FIXED ASSETS</u></b>		£ 10,109.05		£ 11,726.22	
<b><u>CURRENT ASSETS</u></b>					
Prepayments	£ 603.61			£ 163.76	2017/18 expenses
Cash, PayPal, Bank & B.Soc. Accounts	£ 15,469.47			£ 15,173.86	Our "Liquid" Assets
<b><u>TOTAL CURRENT ASSETS</u></b>	£ 16,073.08			£ 15,337.62	
<b><u>LESS CURRENT LIABILITIES</u></b>					
Accruals	£ -			£ -	
Adjustment for 2016 Exhibition	£ 155.05			£ 838.04	Accrued into 2017/18
<b><u>TOTAL CURRENT LIABILITIES</u></b>	£ 155.05			£ 838.04	
<b><u>NET CURRENT ASSETS</u></b>		£ 15,918.03		£ 14,499.58	
<b><u>NET ASSETS</u></b>		£ 26,027.08		£ 26,225.80	
<b><u>REPRESENTED BY:</u></b>					
Accumulated Fund at 1 April 2016		£ 26,225.80		£ 22,825.01	
Surplus/(Deficit) for the year		-£ 198.72		£ 3,400.79	
Accumulated Fund c/f 31 March 2017		£ 26,027.08		£ 26,225.80	