



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					
	2016-17			2015-16	Notes
	Income	Expense	Net	Budget	
Programme					
Subscriptions	£ 10,653.00		£ 10,653.00	£9,900	
WPS Visitors	£ 160.00		£ 160.00	£125	
Ticketed Events	£ 1,528.00	£ 1,250.80	£ 277.20	-£115	
Discovery Centre		£ 3,960.00	-£ 3,960.00	-£3,168	
Lecturers		£ 1,121.00	-£ 1,121.00	-£1,252	
Judges		£ 550.50	-£ 550.50	-£500	
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	
Extra-Curricular Meetings					
AV Group	£ 88.00	£ 112.50	-£ 24.50	£ 23.50	
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	
Outings & Social	£ -	£ -	£ -	-£400	
Workshops	£ 1,771.00	£ 2,102.26	-£ 331.26	-£1,800	
			-£ 1,580.10	£ 253.26	
Print Exhibition 2016					
Exhibition 2016 Income	£ 1,937.10		£ 1,937.10	£ 1,695.15	
Exhibition 2016 Expense		£ 1,945.55	-£ 1,945.55	-£ 1,643.46	
Software Apportionment		£ 250.00	-£ 250.00	-£ 250.00	
			-£ 258.45	-£ 198.31	
PDI Exhibition 2016					
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	
			£ 1,341.09	£ 1,708.39	
Catering					
Tea & Coffee	£ 1,615.16	£ 385.83	£ 1,229.33	£ 1,282.47	
Other Catering		£ 1,410.87	-£ 1,410.87	-£ 1,126.29	
			-£ 181.54	£ 156.18	
Miscellaneous					
Miscellaneous Income	£ 472.00		£ 472.00	£ -	
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	
			-£ 2,181.33	-£ 1,626.37	
Fixed Assets					
Depreciation		£ 2,358.00	-£ 2,358.00	-£ 2,305.00	
Fixed Asset Expenses		£ -	£ -	-£ 25.50	
Fixed Asset Income	£ 39.00		£ 39.00	£ 10.00	
			-£ 2,319.00	-£ 2,320.50	
Interest Income	£ 79.41		£ 79.41	£ 110.25	
SURPLUS/(DEFICIT) FOR THE PERIOD	£ 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						
Membership					200		200	200	200	Flat
	Number (@ YE)	196	180	<i>Budget conservative</i>	£68	<i>Covers 50% HCC rise</i>	£72	£76	£80	<i>Depends on HCC Rental</i>
	Individual Subs	60	£60		£62		£65	£68	£72	
	Subs per Member	£54.35	£55	<i>Joint & Part-season</i>						
Income Items					£12,320	<i>As above</i>	£13,044	£13,697	£14,494	<i>As above</i>
	Subscriptions	£10,653	£9,900	<i>Higher membership</i>	£160	<i>Flat @ £5/session</i>	£160	£160	£160	<i>Flat</i>
	Visitors & Events	£160	£125		£79	<i>Flat</i>	£70	£50	£30	<i>Decreasing with Surplus</i>
	Interest	£79	£110		£12,559		£13,274	£13,907	£14,684	
	Subtotal	£10,892	£10,135							
Expense Items					-£5,355	<i>HCC major increase</i>	-£6,480	-£6,739	-£7,009	<i>4% inflation post 4/18</i>
	Discovery Centre	-£3,960	-£3,168	<i>Ashburton effect</i>	-£2,000	<i>Still an estimate</i>	-£2,100	-£2,205	-£2,315	<i>5% increase</i>
	Lecturers	-£1,121	-£1,252		-£550	<i>Flat</i>	-£567	-£583	-£601	<i>3% inflation</i>
	Judges	-£551	-£500		-£575	<i>Minor inc.</i>	-£592	-£610	-£628	<i>3% inflation</i>
	Programme Expense	-£558	-£500		-£1,800		-£1,854	-£1,910	-£1,967	<i>3% inflation</i>
	Miscellaneous	-£2,181	-£1,800	<i>Loss on Calendars</i>	-£2,400		-£2,400	-£2,400	-£2,400	<i>Continued investment</i>
	Assets & Depreciation	-£2,319	-£2,400		-£12,680		-£13,993	-£14,447	-£14,920	
	Subtotal	-£10,689	-£9,620							
Net Items					£250	<i>Flat</i>	£250	£250	£250	<i>Flat</i>
	Ticketed Events	£277	-£115	<i>High external sales</i>	£0	<i>Break even target</i>	£0	£0	£0	<i>Break even target</i>
	Special Interest Groups	-£138	£250	<i>Lower attendance</i>	-£200	<i>Flat</i>	-£200	-£200	-£200	<i>Flat</i>
	Catering	-£182	£200							
Investments					-£1,200	<i>Increase investment</i>	-£1,000	-£750	-£500	<i>Phase back subsidies</i>
	Workshops	-£331	-£1,800	<i>Conservative investment</i>	-£1,200	<i>Continue</i>	-£1,000	-£800	-£650	<i>Phase back subsidies</i>
	Education & Training	-£1,111	-£1,200		-£200	<i>Increase investment</i>	-£150	-£100	-£40	<i>Phase back subsidies</i>
	Outings & Social	£0	-£400	<i>No investment</i>	-£800	<i>New in 2017-18</i>	-£600	-£200	£0	<i>Phase out</i>
	Contingency for Other	£0	£0		-£3,350		-£2,700	-£1,800	-£1,140	
	Subtotal	-£1,484	-£3,065							
Exhibitions					£0	<i>Roughly equal</i>	£0	£0	£0	<i>PhotoEx paid for</i>
	Print Exhibition	-£258	-£200		£1,300	<i>Roughly equal</i>	£1,500	£1,500	£1,500	<i>PhotoEx paid for</i>
	National Exhibition	£1,341	£1,700		£1,050		£1,500	£1,500	£1,500	
	Subtotal	£1,083	£1,500		-£2,421		-£1,918	-£841	£124	<i>Break even post 2020/21</i>
Surplus/Deficit		-£198	-£1,050		£2,635		£717	-£124	£0	<i>Target Zero by 2020/21</i>
Surplus Reserves Remaining		£5,056	£4,556							

Latest Balance Sheet (from Annual Accounts)

WINCHESTER PHOTOGRAPHIC SOCIETY			
SIMPLIFIED VIEW - Balance Sheet - 31st March 2017			
		2015-16	Notes
<u>FIXED ASSETS</u>			
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	
<u>TOTAL FIXED ASSETS</u>	£ 10,109.05	£ 11,726.22	
<u>CURRENT ASSETS</u>			
Prepayments	£ 603.61	£ 163.76	
Cash, PayPal, Bank & B.Soc. Accounts	£ 15,469.47	£ 15,173.86	2017/18 expenses Our "Liquid" Assets
<u>TOTAL CURRENT ASSETS</u>	£ 16,073.08	£ 15,337.62	
<u>LESS CURRENT LIABILITIES</u>			
Accruals	£ -	£ -	
Adjustment for 2016 Exhibition	£ 155.05	£ 838.04	Accrued into 2017/18
<u>TOTAL CURRENT LIABILITIES</u>	£ 155.05	£ 838.04	
<u>NET CURRENT ASSETS</u>	£ 15,918.03	£ 14,499.58	
<u>NET ASSETS</u>	£ 26,027.08	£ 26,225.80	
<u>REPRESENTED BY:</u>			
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	