

61 MECH VETERANS ASSOCIATION

Financial Report

For the Financial Year

February 2018 to February 2019



Introduction

On 3 November 2018, the finances, including the operational bank account held at Standard Bank, were taken over by Manus Myburgh and Kevin West. Since then, we have been able to obtain full bank statements of the Standard Bank Operational Account for the period **19 February 2018 to 28 February 2019** and will be using this period for this report.

In addition, we have also achieved gaining access to the SagePay account which is the account linked to the website and receives membership payments when payment is made via the 61 MVA website. As of recent, this account is now linked to our on-line shop and orders made are paid directly into this account.

This report sets out the following:

- Financial Analysis of the Standard Bank Operational account for the period 19 February 2018 to 28 February 2019
- Financial Analysis of the SAGE account for the same period

We have until the issuing of this report, been unable to gain access to an investment account held in the name of 61 MVA. In this regard, we are unable to report on any funds held in this account. This has been escalated to the statutory directors of the Association.

Financial Analysis for the Standard Bank Operational Account

For the period of this report, the status of the finances is reflected in the table below:

Opening Balance 19 Feb 2018	94,513.36
Income	244,538.65
Expense	(264,445.36)
SUBTOTAL	74,606.65
Bank fees Feb -Apr 2018	-862.76
TOTAL	73,743.89

On 19 February 2018, we had a recorded bank balance of R94 513,36. During the period of this report, we obtained income to the amount of R244 538.65 and expended R264 445,36. As can be seen, we expended more than the income we received for the period. There would have been timing differences in respect of income received and concomitant expenditure occurring after the income was received (example the 2018 Angola Tour). The figures above indicate the status during the period of this report.

Breakdown of income and expenditure

In respect of both the income and expenditure, the analysis below provides an indication of our monthly income and expenditure, as well as the categories of income and expenditure.

The monthly income is reflected in the table below:

2018	226147.26
February	15201
March	12930
April	6895
May	1874
June	4780
July	26207
August	74022
September	24404
October	27447
November	25187.26
December	7200
2019	18391.39
January	11095
February	7296.39
TOTAL INCOME	244538.65

The income was generated from the following sources:

Income Category	Amount
Angola Tour 2018	17 395.00
Donations	31 750.00
Membership	41 950.08
Memorabilia	148 943.57
Miscellaneous	500.00
Angola Tour 2019	4 000.00
TOTAL	244 538.65

The monthly breakdown of the income can be found under Annexure A to this report.

Our monthly expenditure is reflected in the table below:

Row Labels	Total
	-
2018	253194.42
February	-10224.62
March	-43287.9
April	-40500
May	-150.31
June	-3653.27
July	-23404.69
August	-24626.45
September	-37805.64
October	-8902.1
November	-34758.28
December	-19605.46
June	-6275.7
2019	-11250.94
January	-8810.77
February	-2440.17
	-
	264445.36
	-
TOTAL	264445.36

Our expenditure was in respect of the following categories:

Expenditure Category	Amount
IT expenses	70 601,35
AGM/Parades	17 113.00
Angola Tour 2018	60 399,29
CMVO	5 272.00
Bank fees	2 502,79
Membership	70,61
Memorabilia	92 740,28
TOTAL	264445.36

The monthly breakdown of the income can be found under Annexure B to this report.

Financial Analysis for the SAGE Account

On 01 February 2018, the SAGE account had an opening balance of R6 704,09. Our closing balance as of 28 February 2019 was R39 232,90. As indicated in the introduction to this report, the majority of the funds received was in respect of membership. The total income including interest and less expenses (which was basically bank fees) amounted to R32 528,81.

Financial Analysis for the SAGE Account

Based on the above analysis, the 61 MVA is in a healthy financial position. In terms of cash on hand, we currently have an amount of R112 976,79 as follows:

Bank	Cash on hand
Standard bank Operational Account	73 743,89
SAGE account	39 232,90
TOTAL	112 976,79

ANNEXURE A: INCOME FOR THE PERIOD 19/02/2018 TO 28/02/2019

Category Income	Angola Tour 2018
Month / Year	Sum of In (R)
	Total
February	
2018	5500
March	
2018	2000
April	
2018	4000
June	
2018	195
July	
2018	5200
August	
2018	500
Grand Total	17395

Category Income	Donation
Month / Year	Sum of In (R)
	Total
January	
2019	2400
July	
2018	1000
August	
2018	25000
December	
2018	3350
Grand Total	31750

Category Income	Membership
Month / Year	Sum of In (R)
	Total
January	
2019	4300
February	
2018	750
2019	1500
March	
2018	300
May	
2018	600
June	
2018	450
July	
2018	16650
August	
2018	9000
September	
2018	3200
October	
2018	2300
November	
2018	1900.08
December	
2018	400
June	
2018	600
Grand Total	41950.08

Category Income	Memorabilia
Month / Year	Sum of In (R)
	Total
January	
2019	2395
February	
2018	8451
2019	3796.39
March	
2018	10630
April	
2018	2895
May	
2018	1274
June	
2018	3535
July	
2018	3357
August	
2018	39522
September	
2018	21204
October	
2018	25147
November	
2018	23287.18
December	
2018	3450
Grand Total	148943.57

ANNEXURE B: EXPENDITURE FOR THE PERIOD 19/02/2018 TO 28/02/2019

Category Expense	IT
Month / Year	Sum of Out (R)
	Total
2018	-62969.74
March	-13509
July	-20673.29
August	-6843.18
November	-2067.6
December	-13600.97
June	-6275.7
2019	-7631.61
January	-7100.31
February	-531.3
Grand Total	-70601.35

Category Expense	AGM/Parades
Month / Year	Sum of Out (R)
	Total
2018	-17113
August	-17113
Grand Total	-17113

Category Expense	Angola Tour 2018
Month / Year	Sum of Out (R)
	Total
2018	-60399.29
April	-40500
September	-19899.29
Grand Total	-60399.29

Category Expense	CMVO
Month / Year	Sum of Out (R)
	Total
2018	-5272
July	-2472
September	-2800
Grand Total	-5272

Category Expense	Bank Fees
Sum of Out (R)	Sum of Out (R)
	Total
2018	-2121.56
February	
March	0
April	
May	-150.31
June	-239.59
July	-259.4
August	-670.27
September	-250.1
October	-484.1
November	-25.22
December	-42.57
2019	-381.23
January	-171.85
February	-209.38
Grand Total	-2502.79

Category Expense	Membership
Sum of Out (R)	Sum of Out (R)
Month / Year	Total
2018	-70.61
November	-70.61
Grand Total	-70.61

Category Expense	Memorabilia
	Sum of Out (R)
Month / Year	Total
2018	-89502.18
March	-29778.9
June	-3413.68
September	-9486.25
October	-8418
November	-32594.85
December	-5810.5
2019	-3238.1
January	-1538.61
February	-1699.49
Grand Total	-92740.28

Financial Analysis for the period 19 February to 31 December 2018 – Standard Bank Operational Account

For the period 19 February 2018 (the date from when bank statements were obtained) until 31 December 2018, the financial analysis is summarized as follows:

INCOME:

Row Labels	March	April	May	June	July	August	September	October	November	December	February	Grand Total
Angola Tour 2018	2000	4000		195	5200	500					5500	17395
Donation					1000	25000				3350		29350
Membership	300		600	1050	16650	9000	3200	2300	1900,08	400	750	36150,08
Memorabilia	10630	2895	1274	3535	3357	39522	21204	25147	23287,18	3450	8451	142752,18
Miscellaneous (blank)	0	0	0	0	0	0	0	0		0	500	500
Grand Total	12930	6895	1874	4780	26207	74022	24404	27447	25187,26	7200	15201	226147,26

EXPENDITURE

Sum of Out (R)	Column Labels											
Row Labels	March	April	May	June	July	August	September	October	November	December	February	Grand Total
AGM/Parades						-17113						-17113
Angola Tour 2018		-										
		40500					-19899,29					-60399,29
Bank Fees	0		-150,31	-239,59	-259,4	-670,27	-250,1	-484,1	-25,22	-193,99		-2272,98
CMVO						-2472		-2800				-5272
IT	-13509			-6275,7	-20673,29	-6843,18			-2067,6	-13600,97		-62969,74
Membership									-70,61			-70,61
Memorabilia	-29778,9			-3413,68			-9486,25	-8418	-32594,85	-5810,5		-89502,18
Miscellaneous							-5370				-10224,62	-15594,62
(blank)			0	0	0	0	0	0		0		0
Grand Total	-43287,9	40500	-150,31	-9928,97	-23404,69	-24626,45	-37805,64	-8902,1	-34758,28	-19605,46	-10224,62	-253194,42

When the opening balance of R94513,36 on 19 February 2018 is included, the current status of the Association's finances is as follows:

Opening Balance 19 Feb 2018	94 513,36
Income received until 31 December 2018	226147,26
Expense incurred until 31 December 2018	-254057,18
TOTAL – bank balance as at 31 December 2018	66 603,44

The expense of R253194,42 must include an additional R862,76 in respect of Bank fees for the period February to April 2018. With this included, the total expenditure will amount to R254 057,18

Financial Analysis for the period 19 February to 31 December 2018 – Standard Bank Operational Account

The opening balance in our Sage Account at March 2018 amounted to R 7 526,47. Closing balance as at 31 December 2018 amounted to R33 051,04. Please see the accompanying Sage Bank account statement for the period. The income reflected in this account relates in the main to membership fees.

Observations

1. Overall, the finances of the Association are acceptable. We are in the black by an overall amount of R99 654,48 (inclusive of the Standard Bank Operational Account and the Sage Account)
2. Income and expenditure started picking up in July 2018 with August being the best month thus far from an income point of view.
3. Membership fees received into the Standard Bank operational account for the period amounted to R36 150,08
4. Funds in respect of the sale of memorabilia amounted to R142 752,18, with an associated expenditure of R89 502,18, resulting in a profit of R53 250,00
5. IT expenditure (related in the main to the development and maintenance of the website) amounted to R62 969,74. This is one of the largest expense items.
6. Overall expenditure for the year was in excess of the income received for the year in the Standard Bank Operational Account. Going forward, this will not be sustainable and we will need to address this (although this is not a crises currently)
7. Income received in respect of the Angola Tour for 2018 may have also been received prior to 19 February 2018, whilst expense in respect of the tour only occurred after 19 February 2018. In this regard, total income received amounted to R17 395,00 while expenditure amounted to R60 399, 29.

Recommendations

- A concerted effort is required around membership
- Continued focus on memorabilia which has proved to be a good source of income – profit margins on memorabilia need to be carefully assessed for each item so as not to make memorabilia expensive for our members, but also at the same time to ensure profit is generated.
- Access to be obtained to our Investment Account and transferring around R40 000 to R50 000 into our investment account (I am not certain of how much is in our investment account).