

## Accounting Method Explained

Cash accounting is an accounting method whereby receipts are recorded during the periods they are received and expenses are recorded in the period in which they are actually paid. Cash accounting is often used by small businesses, clubs and associations whereby they are not required by law to use accruals accounting. Cash accounting is a simpler and more straightforward method than accruals accounting and it provides a clear picture of how much money the business actually has on hand. This view was presented at a committee meeting preceding the 2016 AGM and it was agreed that this method was more suited to PWR given the levels of income and expenditure and given the fact that the constitution does not stipulate what method of accounting is required to be used. Cash accounting is an acceptable method of presenting accounts which has been agreed by HMRC given our CASC status.

## 2016/2107 Accounts

The bank account balance held at the end of the accounting year is £15,038.18 vs £13,908.35 held at the end of last year. This is a year on year variance of £1,129.83. The movements in the year are as follows:

- Net subscription fees are £3,953. This is made up of gross income of £9,799 paid by members partially offset by £5,846 of fees that are paid across to EA. The details of this are shown in Appendix 1. Each club member now pays £25 to PWR of this £14 is paid to England Athletics – effectively the club receives £11 per year from each club member. The variance year on year is purely a timing difference as to when subs are paid by members and when these are paid across to England Athletics.
- From the 2016 10k the club made a net loss of £299.55. This is made up of gross income of £20,353 primarily made up of race entry fees of £17,478 and sponsorship of £2,300. This is offset by expenses of £20,653. A breakdown of the income and expenses for the 2016 10k are shown in Appendix 2. Key expenses to note are £4,143 for t-shirts for the clubs 10-year anniversary and donations to charity of £6,300.
- A profit of £1,778.92 is shown in the year for the 10-year ball. However, we paid for the hall hire in the previous account year which amounted to £1,800.
- Two new events were held in the year – a quiz night which appeared very popular with members and raised a profit of £310.21 and a leader's meal for all those individuals that have completed their LiRF courses and lead groups on a Tuesday night. The cost to the club for this was £381.
- Other miscellaneous costs which include expenses from the mob match, tea and coffee facilities, key cutting, Grand Prix trophies, gifts etc., are £1,017.05 these have increased by a considerable amount from last year due to additional committee meetings being required to address club issues, additional trophies being required for the grand prix and different trophies being purchased in comparison to previous years.
- £538 has been spent on races this year – this has increased from last year as a result of additional members participating in these races.
- A loss of £156.40 has been incurred on coaches in the accounting period as a result of the coaches for the London marathon water station being paid for by club funds but not yet being refunded from VLM, this is partially offset by the Harvel coach where the cost has been received from members but not yet paid for.
- During the year we have incurred a cost of £669.38 for a storage facility in Willet Rec.
- Finally, in the current accounting period we have incurred a cost of £504.00 which is in relation to the 2017 10k. The committee have decided that we will be providing all members that volunteer for this year's 10k with a gift which have been ordered.