

The 2020 AGM Financial Report from the BKA Treasurer

With practise curtailed early in the year and the likelihood of a return to normal unlikely for the rest of the year, there was concern that BKA finances would be adversely affected if membership fee income fell. This has been highlighted as an issue in previous years as the NC funding, the organisational costs, mainly comes from the membership fees, and there are more or less fixed annual costs of Insurance, EKF/FIK Fees, accountants' fees and on-line transaction expenses. This fear was unfounded in the end as shown in the cash flow diagrams in the attachments. Membership fees were generally paid, which supported the BKA and a crisis was averted.

The three Bu in general balance their books over the year, with event costs being covered by both membership fees and attendee payments. The fact that late 2020 events were cancelled, in the end meant that Bu expenses were reduced or returned where appropriate, and income actually increased.

Sedulo had again been approved for the independent financial review, so were provided with access to the BKA stored files, bank statements, on-line transactions, invoices and treasurer spreadsheets. The Sedulo report has now been finalised and agreed by the three Bu and the NC and is provided as an attachment to this report.

In addition to the Sedulo Report there is a separate pack of attachments (2021 AGM FINANCIAL POSITION rev 1).

Sheet 1 is a summary of 2020 cash distribution across Central Services and the Bu's. The start of year Opening Balance is shown and then updated for the year, with total income and expenditure figures and the resultant Closing Balances for each. The sum of the closing balances is the actual sum of cash in the HSBC bank current and savings accounts at 31 December. There are no other accounts. As last year, there is a small adjustment figure in the income column, as some on-line transactions for events can carry over from last year or be carried over to next year, hence a disparity re the bank balances.

The opening and closing balance totals are as stated on the bank statements for Jan 1 2020 and Dec 31 2020.

Sheet 2 breaks the income and expenditure figures down into payments directly into and out of the HSBC bank account, and income from the BKA on-line transaction system that is primarily membership and event incomes. Note the internal transfer from the Kendo Bu to the NC.

Sheet 3 shows the breakdown of 2020 Individual membership income, and it highlights how the NC relies so much on the fees to pay the BKA main costs.

Sheet 4 is an update to Sheet 1 and shows the budget positions at the end of July 2021. This shows there is only a 2020 Kendo expense carried over and 2021 NC expenditures as stated above. NC income is still below current expenditure but should recover when year end membership fees are received.

Finally, **Sheet 5** is to show cash flow comparisons over the last couple of years and to illustrate the 2021 position, more for interest now we're well into the year and our earlier concerns haven't materialised. There are three curves on the chart, cash flows for the years 2019, 2020 and 2021. If we take 2019 as 'normal', we see large NC expenses early in the year, insurance, accountants, EKF, AGM booking, and also Bu deposits for summer seminar accommodation and practise halls, competitions, flights for invited Sensei etc. We then see cash coming back into the account over the

rest of the year as people pay their seminar fees, membership fees continue to come in and we ended up a few thousand down on the year. Not a disaster.

The 2020 curve however shows similar spend in the first few months of the year, but then, because of Covid, the events were cancelled or postponed, deposits and flight costs were returned or held over and membership fees did mainly continue to come in, and we actually ended up with an increase in overall cash at year end.

The 2021 curve has similar large NC payments early in the year but without any Bu event deposits etc., the overall spend is reduced and membership fees continue to be received.

If no events take place over the year, then there would be a smaller increase in cash than last year as no returns, but we expect some events to be planned for later on, so a few ups and downs likely but hopefully no great losses incurred.

Needless to say, we are still in a period of uncertainty and only now starting to return to our dojo's.

Paul Gledhill
BKA Treasurer
31 July 2021