



Benoni Northern Sports Club

Brodigan Street, Rynfield, Benoni

The Members

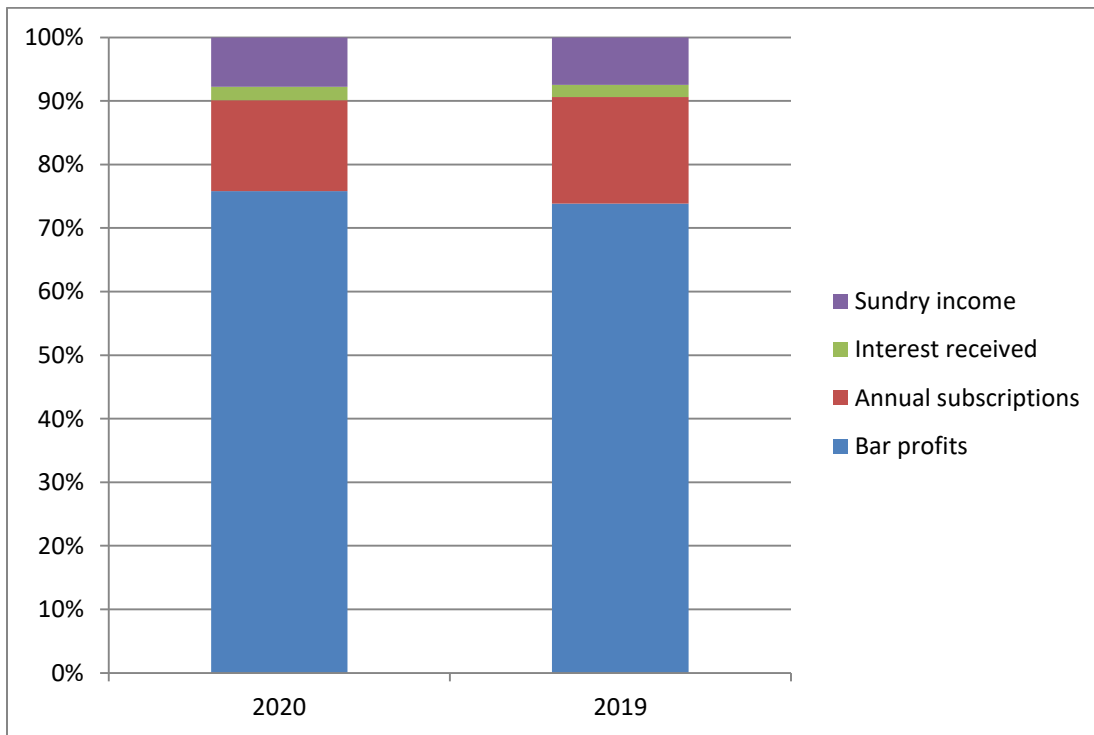
02 August 2020

Benoni Northern Sports' Club

REPORT OF THE TREASURER - 2020 FINANCIAL YEAR END

This report is supplementary to the audited annual financial statements and is neither meant to replace them nor absolve any member of their responsibility to read them.

Bar revenue, compared to 2019, increased by a mere 4.6% so in real terms after taking account for the above inflation sin taxes on booze the revenue remained flat in real terms. Membership fees also grew slightly by 4.75% which lagged slightly behind inflation.



As can be seen quite clearly from the above graphic is the reliance that our club has on the profits from the bar. This is not unlike other similar clubs. While 2020 was not an extraordinary year in terms of revenue growth, in the context of the greater macroeconomic disaster that 2019 calendar year was for most of South Africa – we outperformed the national economy by a factor of four.

There have been initiatives undertaken to increase the length of stay of an average patron to our facilities. The most obvious factor in this regard has been the addition of the pizza facilities. We invested in upgrading the ladies bar to make

Chairman: Laurence Brown

President: Dr. Craig Wittstock

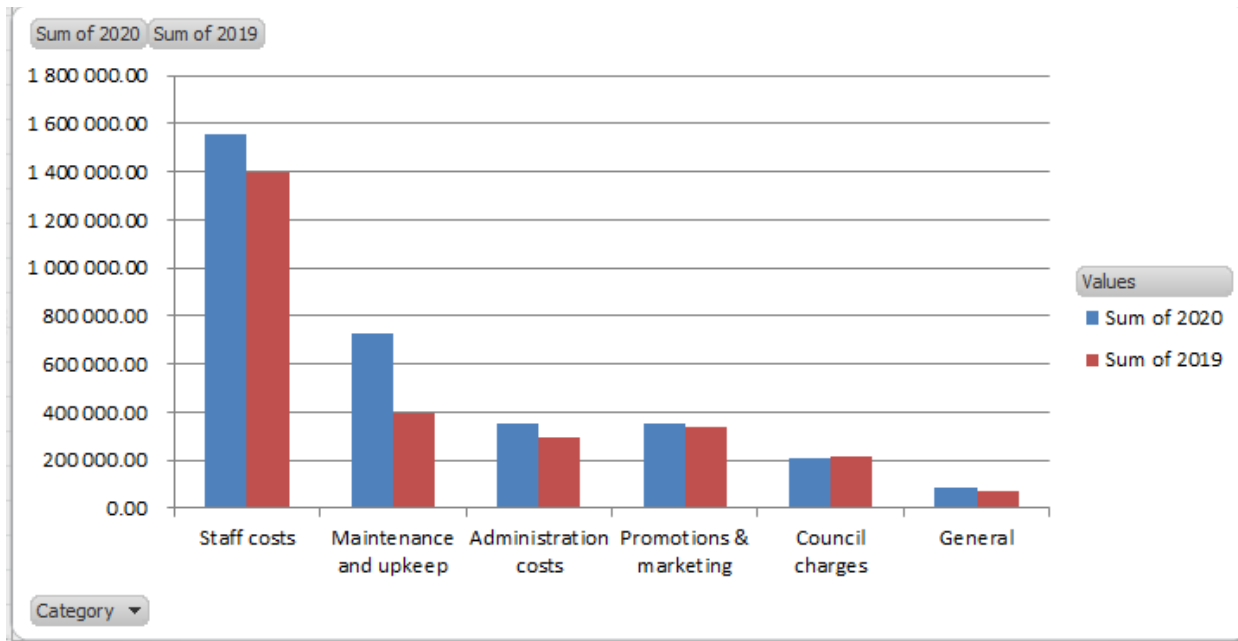
Manager: Rod Scheepers



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it a more coherent space. Accordingly our repairs and maintenance bill has increased dramatically over the prior financial year. Below is a comparison of cash expenses (depreciation is excluded) by primary operational category, comparing 2020 to 2019:



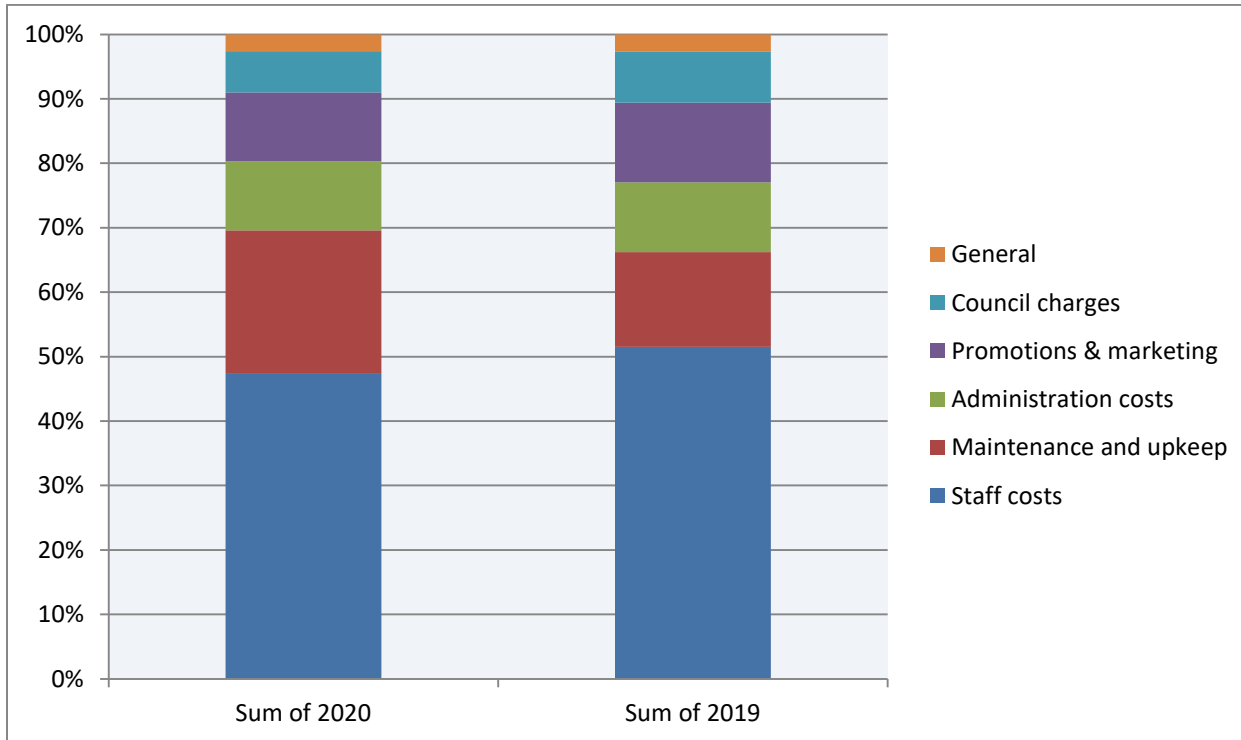
Our staff costs increased by 11% over the previous year as we, following a number of incidents, have had to provide additional security on more evenings of the week. Part of our attempts to offer better value to members is the introduction of differential pricing for members and non-members. Unfortunately the printing of these cards has been quite an expensive exercise and we are looking to finding sponsors to partner with for future card printing.

A summary of how each rand of expenses is spent is set out below in graphical format for easier comparison year on year:



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It is evident that significantly higher portion of our expenditure has been put into our facilities. The proportion of expenditure of our staff bill dipped below 50% of our costs. Our overall financial results for 2020 were very good given the depressed state of the economy. We had a cash positive year and reflected a profit of about R95,000

However we need to examine more closely the 16 micron elephant in the room, Covid-19. While the events of the current financial year fall beyond the scope of the financial statements presented herewith, it would be dereliction of duty not to address this at the AGM.

The impact on the club has been enormous. As shown above the club derives 70% of its income from the operation of the bars. While we have built up reserves for contingencies over the years, a complete shutdown of operations was not necessarily one we could have foreseen. Our staff have taken a pay cut in line with the TERS funding we are able to access from the UIF. We are engaging with our staff on an ongoing basis.

All our stock holding has been successfully liquidated. We have reduced costs across all categories so far in the 2021 financial year and will look at all options to do so further. We are in an invidious position as the Ekurhuleni staff deployed to our facilities will only return to work when the country moves to a level two lockdown. Unfortunately fields and facilities need constant maintenance and upkeep whether they are being used or not. The pizza kitchen continues to operate as this is permissible under the current lock down regulations. There have been a number of fund raising initiatives for the

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staff by our members. To date we have raised over R85,000 towards our staff. These funds will be ring fenced and not applied to anything other than the staff of the club.

In closing I need to extend my gratitude to all our staff - Rod and his team are primarily the reason we had a wonderful 2020 financial year, but they are also standing up and being counted when it comes to the continuing survival of our club. This Covid crisis presents as what is probably the highest existential threat to the existence of this club. But despite this, the generosity of our members and the willingness of our staff to work together to a common goal has been quite remarkable.

JOHN ANSELL CA (SA)

Treasurer