

To: Gym Committee Chair

From: Desmond Mulcahy
Senior Auditor

Location: G/08a
Temple Quay House
2 The Square
Temple Quay
Bristol
BS1 6PN

Tel: 0117 372 6223

E-Mail: Desmond.Mulcahy@communities.gsi.gov.uk

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Copy: Shirley Dolman

GYM CLUB ACCOUNTS FOR 2007

1. I was asked by the Gym Committee to audit the Gym Club financial records for calendar year 2007. The Club Treasurer submitted the accounts as per Annex A. I consider these records generally represent a true reflection of transactions in year, without material error and that all expenditure and income has been applied solely for the purposes of operating the Gym.
2. There are a few minor issues with the accounts which are summarised at Annex B.
3. The key records, and especially the available bank statements, show that the Gym Club had a positive cash flow of £6254.69 for the year ended 31 December 2007 as income exceeded expenditure by that amount. I was required to examine receipts and other supporting income and expenditure documentation to provide assurance that it aggregated to a net £6254.69 income. There was a difference of £214.73 as outlined below.

Net Income as per bank statements and petty cash statement	Net Income by aggregate of supporting documents as shown in "Breakdown of Income and Expenditure"	Difference
£6,254.69	£6,469.42	£214.73

4. I do not consider this to be a material difference. There are a number of potential causes. For instance, it is known that a gift was purchased for

the auditor in early 2007 for which a receipt could not be found and the sum of £17 was returned to one member. Neither of these transactions is reflected in the "Breakdown of Income and Expenditure 2007". The inclusion of these factors would have the effect of decreasing the net income as it presents at column 2 above, thereby reducing the apparent discrepancy. It is recognised that the Treasurer is a volunteer appointment and that it would be wholly unreasonable to expect each incumbent to be a trained accountant. The fact that the appointment changed hands twice in 2007 would not have helped.

5. As mentioned last year, no balance sheet is maintained to record the depreciated value of assets. There is not even a register of assets and record of disposal of assets. This means that the underlying financial position of the club is unclear which would not be acceptable for a publicly-funded body. We recognise however that the Gym is not publicly funded and that the Committee has taken a decision to keep administration to a minimum given the volunteer status of the officials.
6. It is accounting convention to include a short narrative note with the figures to explain any "extraordinary" accounting measures taken. One such transaction took place during the period. This involved the refund (effected by free membership) of £22 to one member due to exceptional circumstances. It is recommended that a footnote be added to Annex A with brief outline of circumstances, who took the decision to refund and whether anything has been done to prevent a recurrence.
7. The cash reserve, £9K as at Jan 08, is unnecessarily high in my opinion. The Club has a steady income stream which is effectively guaranteed at a minimum level. Outgoings are limited and largely foreseeable. It is highly unlikely that the Club would unexpectedly need such a large sum¹. It is recognised that the Club have sought to slow income by reducing fees for the benefit of members. It is also acknowledged that any decisions on cash flow are for the Gym Committee, not me.
8. I am grateful to Andy Lumber for his willing assistance.

D Mulcahy

DESMOND MULCAHY

¹ A possible, albeit unlikely, exception to this is an injury claim being brought against the Club which for some reason is not covered by the Club's insurance policy.

ANNEX A to Audit Report

Summary of Gym Cash Flow 2007

	Balance as at 1 Jan 2007	Balance as at 31 December 2007
Community Account	£1993.02	£8,247.11
Business Premium	£856.20	£868.51
Petty Cash	£11.71	
Total	£2860.93	£9115.62

Breakdown of Income and Expenditure 2007

Income	2007
Membership Fees	£7,007
Donations	£2,000

Total Income	£ 9,007
Expenditure:	
Fitness Instructor	£125.00
Cleaning materials (Wipes)	£43.65
Insurance	£700.00
Cleaning of the gym kit	£75.00
Gift to treasurer	£37.97
Servicing of gym kit	£1381.80
Gym Equipment	£174.16

Total Expenditure	£2,537.58

ANNEX B to audit report

Minor Issues Arising From Review of Gym Club Accounts 2007

1. A full set of bank statements was not available. Therefore, I was unable to fully validate the £700 expenditure on insurance. However, the figure looks reasonable.
2. No receipt for £15 paid to committee member on 18/9/07. Paid on basis of email that said, "I think receipts add up to about £15".
3. No receipt for payment of £7.23 for wipes on 31/5/07.
4. Refund of £17 to Raquel Harris not reflected in accounts. Suggest figure of £7,007 for membership fee income be reduced by £17.
5. There are supporting documents which indicate that £50.88 in total was spent in-year on cleaning materials (wipes). The figure in the accounts is £43.65. The latter may be correct as there may be some duplication in the supporting documents that comprise the £50.88.

TEMPLE QUAY HEALTH AND FITNESS ASSOCIATION -AGM

REPORT BY THE CHAIR

1. Welcome to our third AGM.
2. **Background:** The gym was set up in Tollgate House in about 1983 A gymnasium was provided for in the original specification for Temple Quay. It has been in operation since staff moved here 7 years ago.
3. The current Committee structure has been in place since January 2005. Our members are mainly drawn from PINS and other occupiers of Temple Quay and 2, Rivergate.

Progress report for 2007/08

4. The Committee continues to take responsibility for the running of the gym including processing applications for membership and maintaining the accounts. The Committee would like to thank Przemslaw Sczodry for being our Treasurer in 2007 and Andy Lumber who succeeded him at the beginning of 2008. The audit of the accounts for 2007 has also recently been completed.
5. Minutes of all meetings held are displayed in the gym and published on the gym web site on PINS Net as well as in other departments/agencies with members. Again, I place on record the committee's thanks to our Secretary, Lesley, for all her hard work much of which is behind the scenes
6. In this period, further upgrades in equipment have continued to take place. This has involved disposing of kit which has become obsolete and acquiring more up to date items. I would like to thank Gerry Thompson for all the time and commitment he has put into getting kit replaced, arranging for repairs and rearranging the kit so that there is more effective use of the space in the gym.
7. Chris Greig, our fitness adviser, who has continued to provide familiarisation sessions for both new and established members. Three of these have recently taken place and were well received. I think this is a resource members should continue to take advantage of.
8. The gym rules and a constitution have been reviewed and updated during the year and will continue to be reviewed as and when required.
9. The membership currently stands at 127.

Committee membership:

10. The Committee Members have continued to work hard to ensure that all aspects of managing the gym have been and will continue to be addressed. Over the past year, Emma Bostrum and Przemyslaw Szczodry have resigned so, again, I would like to thank them for their contributions. They have been replaced by Andy Lumber and Sian Williams (who has also subsequently resigned) so thanks to them too.

The future:

11. In the coming twelve months, the Committee will continue to strive to maintain and improve the facilities in the gym so that it is facility our members can continue to enjoy.

And finally:

12. During this period, I have been privileged to have been in the Chair and, personally, wish to thank all the members of the Committee for their enthusiasm and commitment to its general management and the individual tasks undertaken.
13. I have now been Chair for the last three and a half years and have really enjoyed making a small contribution in this capacity. However, time marches on and I feel it is an opportune time for someone else to take on this role. I am very pleased that Ian Davis has agreed to this and I am sure he will be very effective in this role.

Andrew Murray

Election of committee members

The following are those elected to the committee at the AGM held on 21st May 2008:

Nominee	Position	Proposer	Second
Ian Davis (DfT)	Chair	Martin Brasher	Malcolm Davey
Lesley Chandler (PINS)	Secretary	Andrew Murray	Gerry Thompson
Andy Lumber (PINS)	Treasurer	Lesley Chandler	Andrew Murray
Martin Brasher (Defra)	Committee member	Andy Lumber	Lesley Chandler
Malcolm Davey (GOSW)	Committee member	Martin Brasher	Andy Lumber
Alan Nettey (PINS)	Committee member	Ian Davis	Lesley Chandler
Nathan Taylor (CLG)	Committee member	Alan Nettey	Malcolm Davey
Gerry Thompson (Highways Agency)	Committee member	Nathan Taylor	Alan Nettey
Nathan Lumber	Committee member	Lesley Chandler	Andrew Murray