



TREASURER'S REPORT TO THE AGM
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

Opening Remarks

At the last AGM I advised that this year would be a tough financial year for the Club with a deficit forecast for the year due to the decline of the road scene, a reduction in grant receipts and a significantly lower contribution from MTB activities.

The result for the year is as predicted, with an overall deficit of approximately \$5,000.

However, the Club continues to be in an overall stable financial position, with reserves of around \$91,000 including cash and term deposits of almost \$87,000.

Profit and Loss Account – Overall and By Code

- Overall, the Club had a deficit of approximately \$5,000 for the year.
- Membership income. The trend of reducing membership income continues. This was a concern commented on last year, when there was a 50% drop in membership subscriptions received compared to the year before. One of the challenges appears to be the requirement to renew membership via the Cycling NZ portal – unless you want to race at Cycling NZ licenced events and require a Cycling NZ licence, the portal acts as a barrier to renew your PNP membership.
- Grant income and sponsorship continues to be important to the viability of Club events, as event fees are not sufficient to cover event costs. Grant income and sponsorship is detailed in Note 1. Overall grant and sponsorship were down due to the absence of the road series (\$11,900 of grants and sponsorship in 2021) and a decrease in grants received from MTB. Grant receipts are always variable – fortunately in 2022 MTB has received a grant of \$8,000 from the Pelorus Trust.
- Interest income decreased from prior year, reflecting the decrease in interest rates.
- Honorary expenses (detailed in Note 2) reflect decisions taken at the preceding AGM. As agreed at the 2021 AGM, the individual amounts for the Secretary and Treasurer were reduced. Honoraria were not accepted by the Secretary, the Track Convenor (this was donated to Wellington Junior Cycling) and the Womens Track Coach.
- Profit and Loss by code is detailed on page 3 of the financial statements. For simplicity “Unassigned” is used where revenue or expenditure is not uniquely related to a code. Certain costs here could be assigned to a code (such as Cycling NZ levies, depreciation, code honoraria, national champs member subsidies) however I’ve treated these as general Club overhead costs. “Unassigned” will always represent a deficit as the costs will always exceed membership and interest income.

Balance Sheet

The balance sheet remains strong with significant cash in the bank and on term deposit. The decrease in the cash position and payables compared to last April reflects payment of costs for the velodrome resurfacing, which were largely accrued at April 2020.

The Club did not spend any money during the year on fixed assets.

Looking Forwards

Both MTB and Track should run at a surplus in the current year. MTB entry fees are expected to decrease slightly, but the grant receipt from Pelorus Trust will cover major expenses.

The only major call from new expenditure is the expression of interest to lease the building directly adjacent to the velodrome. The lease cost will be material, however as discussed at last year's AGM it is considered a worthwhile additional cost.