



**TREASURER'S REPORT TO THE AGM**  
**FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021**

## Opening Remarks

The Club continued to generate a positive financial result however storm clouds are brewing looking forwards to the current year.

The three codes managed the own race series well, including budgets.

- MTB continues to be the mainstay of the 2020/21 surplus, reflecting another positive spring series and club champs and a surplus from hosting the 2020 Cycling NZ Schools National MTB Championships.
- Road was also successful in generating a positive result in 2020/21. Despite entries fees not being as high as hoped for, the road series remained viable due to sponsorship and success with grant applications.
- Track effectively broke even.

## Profit and Loss Account – Overall and By Code

- Overall a surplus of approximately \$1,700 was generated.
- Membership income. The trend of reducing membership income continued. This was a concern commented on last year, when there was a 50% drop in membership subscriptions received compared to the year before. On the face of it we had about 75 paid-up members in 2020/21, compared to about 120 the year before. One of the challenges would appear 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.
- Interest income decreased from prior year. Last year reflected the benefit of having significant velodrome grants received placed on term deposit prior to expenditure being incurred. Interest rates continue to be negligible so despite having \$75,000 on deposit the interest received is low.
- 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. The Club was successful again in 2020/21, noting that the prior year was dominated by almost \$95,000 being received in grants for the velodrome resurfacing.
- The MTB Committee hosted the 2020 Cycling New Zealand Schools National MTB Champs in October 2020. This was a major event with three days of racing and 127 schools and 535 unique riders taking part. The event returned a reasonable surplus, which was pleasing considered approximately \$6,000 of entry fees were cancelled in the weeks leading up to the event due to Covid restrictions preventing Auckland riders from attending and limited grant funding was received.
- Honorary expenses (detailed in Note 2) reflect decisions taken at the preceding AGM. We are looking to reduce the individual amounts at this year's AGM.
- 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.

Accounts receivable consisted of GST receivable from IRD (\$4,421) and debtors of \$2,521 – these have all been received. There is an expectation of a grant contribution of \$6,133 for the Wellington City Council in respect of the velodrome resurfacing, which has been treated as a accrued income – there is some risk that this grant will not be forthcoming.

During the year the Club invested in four additional mobile radios (\$1,005) to support the event directors, volunteers and medical staff at MTB events, as well as purchase of four 2<sup>nd</sup> hand track bikes (\$2,159) to replace older bikes in the hire fleet.

Payables represent the refund due to NZ Community Trust of \$2,760 for a road grant that was not fully expended and refunds due of \$1,987 to schools for non-participation in the 2020 Cycling NZ Schools MTB Champs. These refunds have all been made. Accrued expenses were \$5,170 represented costs incurred but the invoices were not received until after 30 April 2021. These costs have also been paid.

## Looking Forwards

For this current year, it is likely that the Club will run at a deficit. Financially the Club will remain in a strong position as the Club reserves, with no known calls for investment, is capable of meeting the expected deficit.

- Membership and interest income are expected to remain similar to 2020/21.
- The code contributions will be significantly reduced in 2021/22. Overall, this was around \$11,000 in 2020/21. I expect this to reduce to around \$3,000 in 2021/22:
  - MTB will continue to operate in surplus. The spring series has concluded and despite reduced grant income and one event being cancelled due to Covid lockdown, the series produced a surplus of around \$2,200. Club Champs in the New Year will also produce a surplus.
  - MTB is not hosting any events for Cycling NZ so there will be no surplus from such events (compared to a contribution of ~\$3,000 in 2020/21).
  - It is unlikely that there will be a PNP road series this summer, meaning no positive contribution from road. There may also be a flow on impact to membership depending on whether riders remain as members due to desire to participate in Club Nationals.
  - Track appears to be operating at about break-even, which is not surprising given the relatively small revenue and cost budget it operates on and that it does not seek grant funding to contribute to operating costs.
- Noting the above, we are proposing to reduce honoraria at the AGM