



TREASURER'S REPORT TO THE AGM

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023

Opening Remarks

As per the previous financial year, the Club recorded a small deficit (\$2,550 for the year. On a cash basis (i.e., excluding depreciation the Club returned a small surplus.

A similar result is likely for the current financial year, noting that as discussed at the last AGM the Club will soon enter into a lease with the Council for the buildings next to the velodrome.

The Club continues to be in an overall stable financial position, with reserves of around \$89,000 including cash and term deposits of just over \$87,000.

Profit and Loss Account – Overall and By Code

- Overall, the Club had a deficit of just over \$2,500 for the year. On a cash basis (i.e., excluding depreciation expense) the Club's income just covered expenses.
- Membership income. The trend of reducing membership income has stabilised, with income this year marginally up on last year.
- 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 2. MTB was successful in receiving a large grant from the Pelorus Trust for medical costs, series medals and trophies for the Spring XC series, as well as funding to run a first aid course for volunteers. This grant covered a significant portion of the costs of the Spring XC series. MTB has already secured grant funding of \$3,000 for 2023 for the purchase of a defibrillator, and MTB has applied for funding towards for similar costs of the next XC series.
 - Sponsorship predominately relates to Track where there is a consistent group of financial sponsors.
- Interest income on the Club's term deposits increased from last year, reflecting the sharp increase in interest rates that has occurred over the last year. As current interest rates are expected to continue, interest income will increase again in the current year.
- MTB income from race fees was slightly up on last year, although income on a per race basis was down. Track income (training and race fees, bike hireage and winter spin class income) continues to decrease, with a 20% decrease recorded from last year.
- High Performance Fund expense represents financial support provided to members racing international at major events – this is detailed in Note 3.
- MTB and Track expenses are detailed in Note 1.
- Whilst there was no formal road events run by PNP, the Club continued to actively support PNP road cycling by meeting the entry cost for a team entry into the local Trust House Road Series.
- Honorary expenses (detailed in Note 4) reflect decisions taken at the preceding AGM.

- Profit and Loss by code is detailed in Note 1 of the Financial Statements. For simplicity, costs here could be assigned to a code (such as Cycling NZ levies, depreciation, code honoraria, high performance fund, 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 Club did not spend any money during the year on fixed assets.

Looking Forward

Club profitability remains uncertain year on year as the events are dependent on grants and sponsorship. Costs could partially be reduced if grant funding applications are unsuccessful, or sponsors reduce their support.

The Club has now committed to the lease of the building directly adjacent to the velodrome, at an annual cost of \$3,100. This is a significant increased cost to the Club, and therefore I expect the Club to run at a small deficit for the 2023/24 financial year.

With a focus on cost control, both MTB and Track should be capable of running a surplus in the current year.

There are also a number of cost items which could be reduced if members so desired, however this would appear to be detrimental to the overall purpose of the Club. Possible examples from this year are:

- Honoraria to Committee members
- High Performance Fund grants to support members attending Oceania or World Championship events
- Member subsidies for attending code national championships
- Support for a PNP team to enter the Trust House Road Series