

Treasurers Report for Financial Year 2016

The result for the 2016 year was a pleasing one but before discussing the component parts of that I would like to briefly reaffirm the financial objectives of the club.

The constitution of the club makes it clear that its purpose is to promote bicycle road racing. To achieve this end the club has to organise a series of races. Race organisation requires race numbers, timing chips, hire of halls, traffic management, food, and various other costs taken care of. The signs and notices don't put themselves out so the van has to have petrol put in it and maintenance done. These costs can only be covered, in the main from one source of revenue, race fees. There is some additional revenue from Cycling New Zealand licence fees and from supporting other cycling events (though this revenue is almost exactly matched by costs for the same items).

The financial objectives of the club are to remain viable, that's all, not to make a profit, but to avoid making a loss. It does this by holding back a little of the race fees, a little of the licence money, each year to go towards those years when costs are higher than expected and to put a little by towards replacing the van and other capital items. The club officials are volunteers who have their costs paid but receive nothing for their time. Marshals and other race officials also receive a little for their expenses but again not for their time. In this way the club runs very lean.

In the 2015 year there were a number of accounting issues which carried over costs from 2014. Whilst the 2015 Profit & Loss shows a loss of \$7000 the operating loss was closer to \$3000 – though still a loss. In the 2016 year that has been reversed though caution needs to be expressed.

A summary of the 2016 Profit & Loss appears below.

Income	
Licencing	\$4,570
Race Income	\$11,324
Race Support to Events	\$10,915
Sponsorship	\$2,500
Misc other income	\$1,920
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	\$31,229
 Expenses	
Prize Money	\$3,580
Food for races	\$685
Marshals	\$880
Support to Events	\$7,363
Other Race costs	\$1,561
Office costs	\$1,334
Vehicle costs (petrol, insurance)	\$3,435
Depreciation	\$1,773
National Champs costs	\$832
Training of STMS/TC	\$780
Fees and Subscriptions	\$370
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	\$22,593
 Net Income	 <hr/> <hr/>
	\$8,636

In the club constitution previously, changed for the current year, there was a requirement for the club accounts to be reviewed by an auditor. This duty was undertaken by Marriotts in the 2013 and 2014 years but resulted in a very large bill as mentioned in previous years. For the 2015 year we moved to another company. The bill, though smaller, was still eye watering and as it wasn't presented until mid-way through the current year the 2016 accounts do not feature that expense. Were they to do so the net income would be closer to \$6000 than the \$8636 in the P&L.

Licence fee revenue for 2016 was about \$1000 higher than 2015. This reflects an increase in membership but also a change in timing due to the exact time, in relation to Christmas, when riders renew their licences.

Actual Race Income included much of the Misc Income and was \$14292, less expenses of \$10492 giving a net \$3800 for the year (\$4769 2015). On this basis and a review of the individual race financial summaries a review of entry fees is warranted to ensure that the club's non-racing costs continue to be covered. As an example, the cost of sending a team manager to the Club Nationals depends on whether the Nationals are held in the South Island or in the North Island. For 2017 the cost of attendance was much higher than the 2016 cost.

Race Support to Events, Sponsorship and Misc Income were all significantly higher than 2015 though Prize Money, Support to Events and Vehicle Costs were all up proportionally respectively.

The better result for the year means that additional funds can now be set aside for unexpected bills and capital purchases. As mentioned in my report last year, the van continues on but sooner or later a replacement will be necessary.

As the 2016 year closed the committee decided, after taking advice, to deregister for Goods and Service Tax. There was a small cash amount payable to the IRD in respect of capital items for which we had reclaimed the GST previously.

Coinciding with the end of the 2016 year the company accounts have been moved to Xero. Previously the accounts were managed using QuickBooks but the software was old and functioned poorly compared to Xero.

The full financial statements for the 2016 year have been reviewed by Stuart Lowe in accordance with the constitution changes made at the last AGM. Stuart made no adverse comments about the accounts and complimented the club on building a capital reserve for future expenses.

Mark Darvill
Treasurer