

Treasurer's Report – 2015

1 OVERVIEW

After my travails last year, I am pleased to say that the Annual Results preparation this year was much better co-ordinated. All regions reported in the required format which not only helps me at year end, but also allows the national committee to be aware of brevet progress cumulatively throughout the year.

Although there were some issues during the year, these were all solved by the year end close. Particular thanks must go to Philip Hayes who took on the Victorian role during the year. In what seemed a very short period of time he was able to bring the Victorian reporting up to date and in format, which gave me great confidence that the reporting structure in place was the right one.

At both the National level and the consolidated level it is our aim to generate a gross profit from activities sufficient to cover our administration costs. The results for 2015 are summarised as follows:

	2015 ACTUAL	2015 BUDGET	2014 ACTUAL
NATIONAL REVENUE	114,494	116,825	116,258
NATIONAL PROFIT	22,804	(1,956)	20,557
CONSOLIDATED REVENUE	472,833	n/a	522,296
CONSOLIDATED PROFIT	48,454	n/a	21,247
NATIONAL CASH RESERVES	238,946	n/a	222,314
CONSOLIDATED CASH RES.	570,997	n/a	565,479

At the consolidated level, the decline in revenue is primarily due to a lower ride revenue in NSW. Alpine is very similar year on year. At a profit level the increase reflects an Alpine loss in 2014 compared to a profit in 2015.

The club has two main revenue sources, Membership and Ride Fees.

2 MEMBERSHIP & NATIONAL RESULTS

In 2015 there was no change to the Standard Single & Family membership for 1 yr (\$70/\$105) or 3 yr (\$195/\$295).

Our financial membership position for 2015:

Single	678	(216 new)
Single Half Year	42	
Single 2014-16	165	

Single 2015-17	91	
Family	68	(13 new)
Family Half Year	5	
Family 2014-16	20	
Family 2015-17	15	

Total Membership Fees were \$69,287, up from \$65,031 in 2014 with a 23% increase in new single members offset by an 80% retention of existing members. Family membership is a smaller component of total membership, and showed a 12% increase in new members and a near 100% retention.

National Administration Expenditure was \$81,319 (2014: \$82,957). Main components were:

- Checkpoint \$25,153 (2014 \$30,588). Some reduction in print costs and towards the end of the year, use of a mailing house for distribution also saved some costs. Last year GST adjustment, additional print runs caused higher than expected costs.
- Calendar \$0 (2014 \$7,658). There was no identified expenditure in lieu of issuing an electronic calendar only.
- Marketing \$6,509 (2013 \$7,785) – less than budgeted both Nationally and Regionally.
- Cycling Australia Affiliation/Insurance \$20,000 (2014 \$16,000). Actual charge \$21,000 with extra absorbed by an existing provision for increases, balance remaining \$13,418. Although there is an increased cash payment we can absorb this in our P&L at the current level by running down this provision.
- Membership \$5,397 (2014 nil). Dedicated membership costs split out this year, previously reported under various admin categories (i.e telephone, stationery). Also includes the cost of membership badges (\$3,600) sent to all members at the start of the year.

Overall National administration expenditure was \$81,319 (2014 \$82,957). A national committee conference was not held, the decision made to defer and hold in even years to avoid the clash with PBP.

The increase in membership fee in 2014 was set to enable the club to improve the IT/website infrastructure and increase marketing effort, without drawing on existing cash reserves. We did not achieve all that we would have liked in both areas during 2014 or 2015 but progress was made. The surplus again this year suggests that we can employ external resources to further develop both IT and marketing as necessary.

The new membership system is working well for me. For the first time I have a reconcilable trail between financial membership and physical membership. The new system has involved some reworking of my recording methods, but overall the visibility I now have on membership makes this system much easier to manager financially.

3 RIDE ORGANISATION & REGIONAL RESULTS

Membership revenue at current rates is insufficient to cover the national administration costs. To cover the shortfall, \$4 of each standard \$6 brevet fee is remitted to National by the regions, as is \$5 from each temporary membership fee. The actual national revenue is \$3.64 per brevet after GST is deducted.

National Ride Revenue reported is \$30,237, and includes:

- Alpine Classic \$9,859 (1,320 brevet, 1,113 temp memb)
- Region brevet fees \$16,633 (4,134 regional brevets reported, plus 193 Fitz's challenge)
- Temporary Membership \$3,745 (825 @ \$4.54)

Ride revenue includes accruals to 31 October for all regions.

Ride Support revenue is shown at consolidated level only, as National do not run events. For 2015 Regions collected 43,145 in support fees and paid \$47,490 in ride support costs. Alpine Classic collected \$235,035 and paid \$201,141.

At the National level it is our aim to breakeven by generating a gross profit from membership & ride organization activities to cover our administration costs and to provide capital for improvements to the club. At the regional level the \$2 per brevet retained enable regions to cover local administration costs, market the club locally or spend as they see fit to the benefit of the club. The regions should have enough funds at \$2/brevet to breakeven. The consolidated results included the following adjusted results by region, based on the latest reported information before the audit deadline. Note the consolidated result is not currently audited.

- ACT PROFIT \$231
- VICTORIA PROFIT \$690 (excludes Alpine)
- ALPINE PROFIT \$16,639
- NSW PROFIT \$1,896
- QLD PROFIT \$2,810
- SA PROFIT \$1,112
- WA PROFIT \$1,408
- TAS PROFIT \$740

4 OTHER MATTERS

Other items within the National result that should be mentioned:

- Merchandise sales \$5,851 (2014 \$12,037)
 - Clothing sales of the "Since 1981" jersey are falling by year, and small orders of the jerseys will be made only to replenish popular sizes. During the year we sold 30 units 2014:75) or \$1,919 jerseys (discounted from cost \$2,350) and still hold 87 units or \$6,988 inventory.
 - Sales of Badges and Medallions (\$3,205) includes the AA series (#137), ACP badges (#148) and OADT medallions (#136). A new AA badge series will commence in 2016.
 - The remaining 5 Spot trackers held for resale were sold. The club still holds 10 for club use.
- Interest Income \$5,396 Nationally from closing funds \$235,992 on deposit

- Advertising Income in checkpoint \$3,441 (2014: \$2,665) due to increased number of ads placed. No change in rates.

Whilst most of our club activities are willingly undertaken in a volunteer capacity, some services require financial compensation. Our constitution (Section 25(b)) permits us to make payments to members for services rendered. These include Trevor Gosbell (checkpoint editor), Phil Bellette (AAC director), Robyn Curtis (AAC bookkeeping) and Hans Dusink (AAC audit). All services are paid lower than arms length amounts.

There are a number of position holders with which the Treasurer must interact and in particular I am most grateful for the co-operation received from Lorraine Allen (membership), Martin Haynes (clothing) and Tim Laughler (stores officer) in providing me with supporting information when requested.

The club remains in a strong financial position, and our membership/ride fee operating model serves us well. Considerable IT development occurred in the latter part of the year with significant input from Russell. We have the capacity to employ third parties to perform some of this work and provide expertise that is not currently available to the committee.

The current reporting system with the regions is now working well, and provides valuable accountability and accessibility to the performance of the club. All regional treasurers are to be thanked for their part in this, especially Philip Hayes as mentioned in the opening, and also Peter Gallagher, who stepped in and completed the full year reporting for Queensland in only a few weeks. It has been a good year financially, a more difficult year personally, and now my focus is to survive 250km tomorrow and see what challenges the new year brings.

RICHARD SCHEER

NATIONAL TREASURER