



DERWENT VALLEY ORIENTEERS

TREASURER'S REPORT – JANUARY 2016

This report summarises the Club's finances for the first four months of our 2015/16 financial year i.e. to the end of December.

Funds Available

At the end of the last financial year, funds in the Club's Current and Savings Accounts totalled £19,579:

Account	2014/5	2015/6 End December	Net Change
Current	£9,631	£6,690	-£2,941
Savings	£10,948	£10,948	0
Total	£19,579	£17,638	-£2,941

At the end of December, the Current Account stood at £6,690, reflecting a net expenditure over the four month period of £2,941. With no change in the Savings Account balance, the total funds available in both accounts was £17,638.

Note that in addition to the above, the Club has a further £475 available via the Registration Team float (£200), Equipment Account float (£250) and Permanent Course float (£25).

Current Account

- The Current Account balance of £6,690 at the end of December resulted from a net expenditure of £2,941 since the start of the financial year (1 September):

Opening Balance - 1 September 2015	£9,631
Income	£7,343
Expenditure	-£10,284
Net Expenditure	-£2,941
Balance end December 2015	<u>£6,690</u>

Income versus Expenditure

- Net Income:** Total net income of £1,051 resulted from Events, which generated a net income of £945 (see Events below), together with net contributions from the DVO Shop (£60) and Permanent Courses (£41):

	Income	Expenditure	Net Income/ Expenditure
Net Income			
Events	£5,143	-£4,198	£945
Club Shop	£506	-£446	£60
Perm Courses	£68	-£27	£41
Misc/Other	£108	-£103	£5
Sub Total	£5,825	-£4,774	£1,051
Net Expenditure			
Mapping	£300	-£2,180	-£1,880
Equipment	£30	-£1,185	-£1,155
Relays/CSC	£1,188	-£1,438	-£250
Newstrack		-£402	-£402
Training		-£305	-£305
Sub Total	£1,518	-£5,510	-£3,992
TOTAL	£7,343	-£10,284	-£2,941

- **Net Expenditure:** Net expenditure totalled £3,992 as follows:
 - **Mapping:** Net costs of £1,880 comprised mapping of Chinley Churn (£900), Staunton Harold (£500) and Grangewood and Top Plantation (£500). Costs of mapping Shirebrook Academy (£270) were more than offset by associated income (£300).
 - **Equipment:** Net costs of £1,155 resulted from the ground rental payment to Network Rail of £584 for the Club hut, together with necessary software licences renewals (£187), equipment repairs/new batteries (£307) and the purchase of a new master station (£107).
 - Other net costs include **Newstrack** expenses (£402), **various Training** activities (£305) and support for **Relays/CompassSport Cup** entries (£250).

Events - Summary

- To the end of December, the Club had held 5 events plus the Club Champs. Excluding the Club Champs, the events attracted 941 entrants.
- Events generated a net income of £1,417, reduced to £945 after including the costs associated with the Club Champs (£394) and miscellaneous costs (£77).

Event				Finances		
	Juniors	Seniors	Total	Income	Costs	Balance
2014-15						
Carry-forward				£0	£0	£0
2015-16						
Darley Park	20	24	44	£0	£62	-£62
Chinley Churn	28	153	181	£1,172	£1,435	-£263
Matlock Urban	17	160	177	£937	£505	£432
Birchen Edge	83	274	357	£3,450	£1,676	£1,774
Longstone Moor	31	151	182	£1,036	£1,501	-£465
SUB TOTAL	179	762	941	£6,594	£5,178	£1,417
Club Champs				£0	£394	-£394
Miscellaneous				£0	£77	-£77
TOTAL				£6,594	£5,649	£945

The key points of note are:

- By far the largest event was the East Midland Championships at Birchen Edge which generated a net 'profit' to date of almost £1.8k. Note, however, that this figure will reduce by £270 when a cheque for hire of toilets is cashed by Kniftons.
- The Matlock Urban event resulted in a net income of over £400, primarily due to the fact that this was a low cost event with no access fees, no toilet rental and no use of external third party medical standby.
- Two events made losses – Chinley Churn (£263) and Longstone Moor (£465). A financial analysis of both events is provided in **Attachment 1**.

Events – Financial Analysis

- In 2014/15, all events were profitable. As a result of this, the decision was made to continue with the existing entry fee structure for 2015/16, based upon £6 for a senior BO member
- The most significant reason, I believe, that both Chinley Churn and Longstone Moor made losses is the relatively low number of competitors versus those experienced in 2014/15.

Attachment 2 shows the competitor numbers for all Level C events in 2014/15 and this current year i.e. excluding large Level B events (the Midland Champs at Longshaw in 2014/15 and the recent East Midland Champs at Birchen Edge), together with small, local Level D events).

- Last year, Longstone Moor attracted 242 competitors (of which 188 were seniors) and generated a net positive income of £370. This year only 182 competitors entered (153 seniors), a reduction of 25% in total - or 20% for seniors. This reduction in competitor numbers is equivalent to a loss of income of around £300.

In addition, this year we employed Peakmedicare on medical standby at a cost of £175.

Excluding Peakmedicare costs, with the same number of competitors as previously, Longstone Moor would have broken even. With the actual number of competitors, we would have needed to charge a senior entrance fee of £8.80 to break even.

- Chinley Churn attracted 182 competitors (of which 153 were seniors). To have broken even would have required an additional 44 senior competitors i.e. a total field of around 200 entrants. This is still below the numbers we were attracting last year, for example, Stanton Moor (264) or Kedleston (263).

To have broken even at Chinley Churn, we would have needed to charge a senior entrance fee of £7.60.

- There are two specific components of event costs that are worthy of note, namely:
 - **Access Fees:** Last year access fees averaged around 20% of total costs across all events. Access fees at Longstone Moor of £390 (26% of costs) are not out of line with that experienced in 2014/15. However, access fees at Chinley Churn (£600) are relatively very high, accounting for 42% of all costs.
 - **Medical Standby:** The use of Peakmedicare is a new feature this year at some events (currently Birchen Edge and Longstone Moor) at cost of £160 to £175 per event. The entry fees from 30 seniors are required to cover this additional cost.
- Car parking fees were levied at both Chinley Churn and Longstone Moor. Normally, this is used as the access payment to the landowner(s) or as part payment. In the case of Longstone Moor, £??? was taken as car parking fees 'in the bucket' and used to pay most of the access charge to the farmer. The balance of £?? was paid by the organiser and reimbursed by the Club.

Observations and Conclusions

- We need to generate around £4k of net income to cover ongoing base operating costs. For information, **Attachment 3** highlights these costs, extracted from the Club's accounts for 2014/15. 90% of income is generated from the Club's events.

Level B events, attracting relatively large fields of competitors, make a significant contribution with, for example, the East Midlands Champs at Birchen Edge generating a net income of around £1,500. However, other events, particularly Level Cs, need to more than cover costs with income.

- The losses incurred at Chinley Churn and Longstone Moor resulted primarily from relatively low entry numbers versus previously, together with higher costs – access fees at Chinley Churn and the hire of Peakmedicare at Longstone Moor.
- To ensure that Level C events continue to generate positive net incomes, we have the following options, namely:
 1. Maintain the current entry fee structure and be prepared to subsidise any losses from retained Club funds as and when necessary.
 2. Ensure that competitor entry numbers return to the levels experienced during 2014/15. With the agreed entry fee structure (based upon an entry fee of £6 for senior BO

members), to break even on Level C events, we need on average to attract a field of around 220 competitors. To generate a net positive income of, say, £300, will require around 260 entries.

3. Have variable entry fees to reflect the nature of the event. Base entry fees for a specific event on a realistic income/cost analysis undertaken (for example, by the Organiser with the Treasurer) and agreed well before the event.
4. Revise the current entry fee structure to ensure that, on average, events generate positive incomes in order to ensure that we can cover the Club's ongoing base operating costs and minimise the risk of loss making events. Note that both LEI and NOC normally base their entry fee structures on a senior entry fee of £7 for BO members.

The senior entry fee for the upcoming Eyam Moor event has been increased from £6 to £7. I will undertake and report a financial analysis for the Committee immediately following the event in order to determine the effect of this increase.

- Whichever of the above options – or any other - is preferred, I would recommend that for every Level B and C event a budget, with appropriate sensitivities, is drawn up and agreed well in advance of the event itself. I believe that we have sufficient financial and historical data to enable this to be undertaken relatively painlessly.

Roger Keeling
Treasurer
January 2016

ATTACHMENT 1

EVENT FINANCIAL ANALYSIS

			Income	Costs	Net
Chinley Churn	27-09-15	Gross income on the day	£1,172		
	25-09-15	Kniftons Toilets		£270	
	27-09-15	Access fee - farmer Frank Langden		£100	
	27-09-15	Access fee - farmer Robert Henshall		£400	
	27-09-15	Access fee - farmer Frank Langden		£100	
		BO Levy		£178	
		EMOA Levy		£54	
	13-09-15	Hassall & Lucking - maps		£297	
		Controller's expenses		£35	
		Note: Excludes mapping fee of £900 by Richard Parkin			
		Total Chinley Churn	£1,172	£1,435	-£263
Longstone Moor	01-12-15	Kniftons Toilets		£216	
	13-12-15	Peak Medicare		£175	
	14-12-15	M Godfree - expenses		£18	
		Income on the day	£1,036		
		Access Fees		£390	
		Planner's expenses		£90	
		Organiser's expenses		£99	
		BO Levy		£177	
		EMOA Levy		£54	
		Hassall & Lucking - maps		£282	
		Total Longstone Moor	£1,036	£1,501	-£465

ATTACHMENT 2

EVENT COMPETITOR NUMBERS

	Junior	2014/15 Senior	Total	Net Profit/ Loss
Longstone Moor	54	188	242	£370
Stanton Moor	51	213	264	£337
Crich Chase	73	260	333	£666
Kedleston	61	202	263	£351
Cromford Moor	139	266	405	£1,046
Average	76	226	301	
Chesterfield Urban	17	164	181	£462
		2015/16		
Chinley Churn	28	153	181	-£263
Longstone Moor	31	151	182	-£465
Average	30	152	182	
Matlock Urban	17	160	177	£432

ATTACHMENT 3

BASE ONGOING OPERATING COSTS – 2014/15

Details	Total
Newstrack	£1,000
Relays Support	£1,000
Network Rail - land rental for hut	£602
Richard Weston - Equipment All Risks Insurance	£376
Club Champs	£300
Training	£200
Equipment	£200
Club Dinner	£150
M Napier - annual licence for MERCS/Colour software	£120
Pearson Brothers - permanent course markers	£115
OS Licence Fee	£66
BO Club Affiliation Fee	£46
M Godfree - till rolls for splits printer	£20
TOTAL	£4,195

