

AGM 2015 Finance Note

As Hon. Treasurer of British Orienteering I wish to draw your attention to a few key points that highlight our financial position and the increasing pressure we are under. This was reported at the recent AGM and is now published for all members to see.

The key points arising from the 2014 accounts are:

1. We budgeted for a deficit, to be funded from our adequate reserves. The main reasons being:
 - a. To make monies available for our 2015 WOC senior squad, as they receive no grant aided funds; note though how much the athletes themselves contribute from their own pockets as well; and,
 - b. The continued support for a Commercial Manager to investigate the commercial opportunities that may be available to British Orienteering.

The actual end of year position was a much smaller deficit than it might have been, largely as a result of very successful major events in 2014 that exceed their expected income targets.

2. You may note that the income from members and clubs during the year more or less covered the cost of Focus, website maintenance and other supports to clubs.
3. We rely on event levies, major events and commercial income to fund all of our other activities and duties as the governing body for orienteering. This includes the £30,000 we contributed to our senior squad programme as they prepare for WOC and beyond.
4. We still have a healthy balance sheet, and one that shows reserves well in excess of those required to cover our reserves policy and satisfy all that we are a going concern.

BUT

I have to make you aware of a number of significant financial risks emerging in 2015 that will invariably cause our reserves to reduce further in year. These are:

1. WOC was always planned to be a non-profit making – but non loss making – event. The budget projections are very tight on this and there is still a degree of uncertainty over some key cost areas. This will probably result in a loss that is agreed to be shared between BOF and S6D.
2. Levy income will not receive the biannual lift of previous years as it was agreed from the outset that half of the S6D levy would support WOC, and half be retained by S6D Company. So we have a non-recurring shortfall, over normal years of up to £10,000 here.
3. The financial success of the 2014 major events will not, on current information, be repeated in 2015. Land access and area compensation fees to local clubs have already been higher than budget, and late needs for hard core on car parks for JK had not been allowed for. Most entries for the JK were at the lowest entry fee point consequently later entries for JK, at a higher entry fee, were below the expected level.

4. The Board took a decision, encouraged by Sport England and looking to the post 2017 funding settlement, to investigate if there is potential to generate commercial income. This increased commercial income is proving hard to establish and the overall financial benefit is under review by the Board.

However, whilst the overall value of all of these is uncertain we are, at the moment, confident that we will be able to contain them within our current funds and remain in a position whereby we will continue to be operating within the financing limits of the reserve position agreed with our auditors as we move into 2016.

The Board, myself and the Chief Executive continue to monitor the situation closely.

Bob Dredge, Hon Treasurer.