

RPS Audio Visual Group

Treasurers Report – AGM 2024 AV Group Treasurer – Alastair Taylor

Introduction

Please find the final balance sheet for the three accounts owned by the RPS AV Group. This report will provide background commentary for these accounts. The accounts follow a January 1st to December 31st basis (which is RPS procedure). This means that it does not show income for the year which might have been received at the end of the previous year or the start of the next.

On all three accounts, a loss is being reported. The committee should consider the following.

As it stands, the RPS AV Group business model is not sustainable. Although there are reserves, these are now being reduced significantly. Whilst acknowledging that the Covid pandemic has had a severe impact on how we operate, there are other factors at play which we need to bear in mind, namely:

1. The RPS is looking closely at income and expenditure as it seeks to balance the books and be less dependent upon its own diminishing reserves. To that end, the significant monies held by all regions and groups (Circa £400k) is being questioned by the board with the view it goes against charity regulations to have so much “dead” capital. There are moves to reduce this balance with the reserve being a virtual amount rather than a tangible asset. The proposal is to use that reserve to invest in better platforms and support mechanisms for groups and regions. We probably have no choice on the matter as it is a board decision. As you might anticipate, this move is unpopular with many. An alternative view is that to be sat on such a reserve is an insult to both current and past members.
2. The RPS is conducting a general review of groups and regions and is currently re-defining the terms and conditions for these. The proposal will ensure that all groups and regions operate according to defined arrangements. This is not unreasonable in so far as the RPS patronage of a group does add a certain quality marque and it is only right that the region/group should accept the rules that go with that. In the past some have operated outside of the general RPS “system”, perhaps even outside charity rules. These new arrangements will define what a group should be doing by way of minimum member engagement although at this stage it is an ambition more than a requirement. Regions and Groups will also be expected to make a contribution to the central operation costs.
3. Anyone who has worked in business will acknowledge that all of this is standard commercial practice and that arrangements are well overdue modernisation. My own view is that we should respond in a positive and constructive way.
4. The accounts do show significant mis-coding of income and a range of internal adjustments have been made. This has made the accounts difficult to produce. We should acknowledge that during the period, the RPS introduced a new Customer Relationship Management (CRM) system and this has been problematic for the finance team. This position is now much better and I have more confidence in the information now presented. There has also been a change of CEO and many staff changes so we have been dealing with a turbulent time.

The following pages will review each account and point out some of the challenges the group is facing. It is a difficult time for the AV group and the RPS more widely and we need to consider some changes to what we do so that can sustain the group.

AV Main Account

Expenditure has exceeded income by £47.98. Although the total income appears to be up, some of this was miscoded income. On the expenditure side, adjustments have been made.

Members and subscribers income is generally holding up well (although the age profile of the group means that there is a general decline).

In 2023, there was a Yorkshire AV Day. This returned a margin of £227.72. Sadly there has been no Yorkshire AV Days since then so not only have we lost an income stream but also we are not fulfilling our obligation as a group to offer events for our members.

In 2023, the AV Group made a contribution to the RPS Members Exhibition. Costs were minimal and there was an income of £165.00 for this event.

AV News is the main cost centre for the Group and again has seen a significant increase in costs as shown in the table below which compares 2023 with the previous year:

Item	2022 Costs	2023 Costs	Change
Printing	£1,971.00	£2,325.00	£354.00
Postage	£1,319.00	£1,353.19	£34.19
Leaflets	£126.00	£126.00	£0
Envelopes and Filling	£354.00	£366.00	£12.00
Courier	£36.00	£43.00	£7.00

In total, the cost of producing AV News increased by £407.19 in 2023. Further increased have already been introduced in 2024. Plainly this is not sustainable.

NAVC Account

There was no NAVC in 2023. However, a VAT charge of £241.53 was incurred from the previous event. This is the VAT element of ticket sales. We need to be more aware of VAT implications for events and tickets sales. (It is likely that we may well have supposed to including VAT in the past – this needs investigating for future events)

Although the 2024 NAVC is being planned on a break even basis, there is a small reserve to cover any loss. It is hoped that this will not be needed.

International AV Festival

The IAVF made a loss of £858.24. The reasons for this are well understood and mainly revolve around the very high costs of accommodation for the judges and organising team together with the lower level of physical attendance. Clearly this position is not sustainable.

Conclusions

Although we have sufficient reserve to continue as a “going concern” it gives me no pleasure to be the treasurer of a loss making enterprise.

Overall, we need to think creatively and find an innovative way which makes us attractive and different to the mainstream and bring in income..