

21 September 2018

Dear fellow AUK member,

As you may have seen in the statement that I recently posted on the AUK website and the AUK online Forum, and in my report from the Board's last full meeting in the new edition of ARRIVÉE, the AUK Board has been considering carefully our financial position and how best to ensure that the organisation can remain financially secure. This concern has arisen due to cost overruns on essential modernisation and development work on the website and administration system that will replace our current system.

While we are not happy at the cost overrun on Phase 1 of our IT Refresh project we are determined to keep costs down in the future and believe that Phase 2, comprising membership management at a minimum, is essential as our membership numbers continue to increase.

We are fortunate in that we have built up sufficient reserves to fund the work that has already been done and to pay for Phase 2, but if we are to make all of the improvements needed to support our members and our administration, as well as preparing for the near future by developing Phase 3 which includes mapping along with GPS-linked validations, the costs are likely to be too high for our present levels of income.

Clearly not being able to do this work would be undesirable and so the Board has been studying a number of possible scenarios under which some or all of our income would be increased. I would like to thank, in particular, our finance director, Nigel Armstrong, and membership secretary, Caroline Fenton, for their forensic work in modelling the numerous options that we reviewed and for their seemingly inexhaustible ability to produce spreadsheets that were better than my own spreadsheets for us to consider.

It was clear to us from the outset that we would need to raise the membership fees, which have been held by successive Boards at the same level for the past 10 years.

After much discussion, we agreed that we would need to increase the individual annual membership fee by £4.00 to £18.00 and other forms of membership by a similar percentage. There will be a larger increase in the overseas members' premium in order to recover postage costs. The offer of 5 years membership for the price of 4 will remain in place and offers members old and new the advantage of paying less for their membership.

The full breakdown of the new subscription fees, including additional costs paid by, for example, overseas members, is as follows:-

	One Year	Five Years
New Members and Lapsed Members	£23	£77
Renewal of Membership	£18	£72
Household Members	£6	£24
Arrivee Fee for Life Members	£11	£55

Overseas Members pay the above rates, but also a postal surcharge of £9 per annum

The Household Membership fee is payable for each additional person, with just a single copy of Arrivée per household.

In tandem with this, we looked at our other prices, including fees charged to event organisers for services relating to events such as registration, validation and recording. These have not

changed for much longer than subscriptions, and in some cases have gone down. Prices of medals and badges ordered through organisers were last raised some years before the last subscription increase, and in some cases are currently lower than they were a decade ago. These will go up in price at a similar rate to subscriptions. Amending these costs is logically more challenging for all involved and our aim is to minimise inconvenience for organisers as much as possible. We will circulate details of the proposed charges to organisers as soon as possible but, taken overall, they are likely to amount to an average of about an additional 30p for each person entering an event.

Prices of badges and medals purchased from the online Badge and Medal Shop and from other AUK stockholders will also rise.

It was also agreed to increase the temporary membership fee for non-members riding events by £1 to £3.

We have also looked at the possibilities of re-scheduling the rest of the IT Refresh project so that its development and implementation are spread out over a longer period, and how that will affect our finances. We will continue to monitor these factors.

Given the need to safeguard Audax UK's financial position while meeting possible future development costs, the Board agreed that it would be appropriate in this instance to use its ability conferred by the Articles of Association to set revised levels of subscriptions, and the new fees will apply with immediate effect.

The proposed changes to charges made to organisers for services provided by AUK (e.g. brevet cards, validations) will be placed before the AGM in February for implementation upon 1 March 2019 if approved by members. The Events Secretary will liaise with event organisers to ensure that any fees or charges collected by organisers and transferred to AUK will be payable at the rates applicable when they are paid by the event entrants concerned.

I hope that members will appreciate that these have not been easy decisions to make and will recognise the importance of the Board taking action now rather than allowing potential problems to accumulate for the future. Even taking into account the proposed increases, Audax UK events represent substantially better value than the majority of similar cycling events. While we have allowed in our planning for the possibility that a small number of members may consider the additional subscription to be an excessive amount and choose not to remain with us, I am confident that, overall, our membership will continue to grow, and that Audax UK will continue to thrive.

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