
Budget Financial Year 2018 (FY18)

ANZSLA AGM 19 October 2017

This report sets out the projected ANZSLA Profit and Loss Statement, Balance Sheet and Cash Flow Statement for FY18 (FY18 Budget).

In FY17 ANZSLA made an audited profit of \$8,041 compared to a budgeted profit of \$9,567.

Whilst the budgeted and actual result was close, it was the result of many profit and loss items varying against budget which ultimately substantially offset each other. Full details are provided in the FY17 Finance Report.

The detailed FY18 budgeted financial statements are provided in the Appendices to this report. Appendix 1 contains the FY18 Budgeted Profit and Loss Statement and Appendix 2 provides the FY18 Budgeted Balance Sheet and Cash Flow Statement.

The main body of this report sets out the key assumptions driving the FY18 budgeted financial statements shown in the Appendices.

Profit and Loss Statement

As shown in Appendix 1, ANZSLA has budgeted for a \$6,286 loss in FY18. The assumptions driving the budgeted loss are discussed below.

Revenue

Members' Subscriptions:

- In FY15 ANZSLA increased membership fees by approximately 10%. These were the first increases in membership fees since 2006 and were aimed at reducing ANZSLA's pre-conference loss result and hence exposure to the annual ANZSLA conference results.
- In FY16 and FY17 Australian Member subscription revenue was flat. This trend is forecast to continue in the FY18 budget.
- FY17 New Zealand Member Subscription revenue benefited from the ANZSLA conference being held in New Zealand in FY17. New Zealand Member Subscription is forecast to return to FY16 levels in the FY18 Budget.
- Overall, FY18 Member subscription revenue is forecast to decline 1% from FY17. It is hoped Member Subscription revenue growth will return as the Board undertakes the strategic initiatives outlined in the Finance and President's report.
- These observations and assumptions are summarised in the table below:

Description	Budget	Audited	Budget	Audited	Budget
	30-Jun-16	30-Jun-16	30-Jun-17	30-Jun-17	30-Jun-18
MEMBERS SUBSCRIPTIONS					
Australian Members	\$69,153	\$61,231	\$62,149	\$61,234	\$61,234
New Zealand Members	\$10,969	\$13,841	\$14,049	\$14,466	\$13,743
NET MEMBERS SUBSCRIPTIONS	\$80,121	\$75,072	\$76,198	\$75,700	\$74,977
Growth benchmark				FY17 Actual	FY17 Budgeted
%				0.8%	-1.0%

Annual conference

- The latest budget for the 2017 ANZSLA conference in Sydney estimates a profit of \$42k. This budget is the best available estimate for the ANZSLA conference result and has therefore been used to formulate the FY18 Budget.
- The historical ANZSLA conference budget and results and the FY18 budgeted result are provided in the table below:

Description	Budget	Audited	Budget	Audited	Budget
	30-Jun-16	30-Jun-16	30-Jun-17	30-Jun-17	30-Jun-18
CONFERENCE RESULT					
Revenue	\$192,814	\$181,615	\$130,251	\$145,002	\$166,000
Expenses	(\$173,624)	(\$142,514)	(\$90,233)	(\$92,792)	(\$124,000)
NET CONFERENCE RESULT	\$19,190	\$39,101	\$40,018	\$52,211	\$42,000

Other revenue

- The table below summarises ANZSLA's sources of other income, the historical budgeted and actual results and the FY18 Budget estimate:

Description	Budget	Audited	Budget	Audited	Budget
	30-Jun-16	30-Jun-16	30-Jun-17	30-Jun-17	30-Jun-18
<u>OTHER REVENUE</u>					
Sponsorship	\$1,000	\$1,000	\$2,000	\$909	\$909
Sales of publications	\$2,100	\$4,563	\$2,750	\$3,125	\$3,000
Regional seminar revenue	\$6,018	\$4,047	\$4,250	\$1,698	\$4,000
Interest received	\$3,391	\$2,550	\$2,500	\$4,391	\$5,000
Other	\$500	\$0	\$0	\$400	\$0
	\$13,009	\$12,160	\$11,500	\$10,523	\$12,909
<i>Growth benchmark</i>				<i>FY16 Actual</i>	<i>FY17 Budgeted</i>
%				-13.5%	22.7%

- In FY18 we have budgeted for an overall increase in Other Revenue of 22.7% driven by an increase in interest on our cash term deposits and regional seminar revenue returning to FY16 levels.
- Whilst variable from an item by item perspective, it is anticipated Other Revenue will exceed \$10k in total each financial year.

Expenditure

Direct Member Benefits

- The Board's focus for Direct Member Benefits is on the number and quality of Regional Events, the quality of publications, timely and informative communication in relation to sports law issues and providing awards to those who have excelled in the field of sports law.
- The table below summarises ANZSLA's categories of Direct Member Benefits, the historical budgeted and actual results and the FY18 Budget estimate:

Description	Budget	Audited	Budget	Audited	Budget
	30-Jun-16	30-Jun-16	30-Jun-17	30-Jun-17	30-Jun-18
<u>DIRECT MEMBER BENEFITS</u>					
Communication/Publications	\$6,800	\$8,204	\$16,905	\$11,925	\$21,000
Meetings and seminars	\$12,600	\$4,627	\$13,700	\$21,397	\$13,500
Awards	\$4,030	\$2,154	\$3,000	\$3,409	\$3,500
New Zealand Operations	\$10,500	\$7,497	\$6,900	\$11,243	\$10,200
	\$33,930	\$22,483	\$40,505	\$47,974	\$48,200
<i>Growth benchmark</i>				<i>FY16 Actual</i>	<i>FY17 Budgeted</i>
%				113.4%	0.5%

- As can be seen in the table Direct Member Benefits have been volatile and are hence difficult to forecast.
- In relation to the historical and budgeted Direct Member Benefits it is noted:
 - Communication/Publications:** This category contains publication costs (The Commentator, E-Newsletter, and ANZSLA Journal) and website up-keep and maintenance. FY17 had the publication of an ANZSLA journal (2015 Edition) while FY16 did not. FY18 is higher again as ANZSLA plans to release two editions of the journal (the 2016 and 2017 Editions). FY18's

communication costs also include the monthly licence fee for use and support of the Member Evolution system (approximately \$380 per month). The licence fees and costs for our current systems are forecast to be discontinued. These costs were spread out over other categories of the profit and loss. On a quantitative basis, Member Evolution is marginally more expensive on an ongoing basis than present systems. The qualitative benefits of Member Evolution are outlined in the President’s FY17 report.

- **Meetings and Seminars:** FY17’s expenses were significantly higher than FY16. In FY17 \$8,000 more was spent on Australian regional seminars than FY16 and the Board also held its biennial strategic retreat. FY18’s expenses are forecast to decrease as there is no strategic retreat. The Board will also be aiming to achieve savings on regional seminars without compromising the frequency of the seminars.
- **Awards:** These costs represent the costs for ANZSLA’s two major awards – the Denis Callinan Award and the Paul Trisley Award. Details of these awards and the prizes are available on ANZSLA’s website.
- **New Zealand Operations:** The main costs in this category relate to New Zealand regional events and New Zealand administration.

Administration

- The table below provides the historical trend in budgeted and actual Administrative Costs and the FY18 Budget estimate:

Description	Budget	Audited	Budget	Audited	Budget
	30-Jun-16	30-Jun-16	30-Jun-17	30-Jun-17	30-Jun-18
ADMINISTRATIVE COSTS					
Employee Salary Costs	\$63,869	\$63,226	\$65,700	\$65,700	\$67,671
Leave Accrual movement	\$0	\$9,855	(\$1,355)	(\$248)	\$0
Telephone expenses	\$3,550	\$2,081	\$1,900	\$2,705	\$2,500
Other	\$2,375	\$7,020	\$3,249	\$3,160	\$8,501
	\$69,794	\$82,182	\$69,494	\$71,317	\$78,672

- Administration expenses are budgeted to remain relatively stable year on year but are affected by inflation and often once off events. FY16 was affected by once off, non-recurring costs totalling approximately \$13.5k relating to employee leave provisions, printing and computer equipment expenditure.
- Deducting these costs from the Audited FY16 result provides a normalised Administration estimate of \$71.2k.
- In FY18 the “Other” category includes a \$5,000 provision that relates to ANZSLA’s systems upgrade objectives. Presently ANZSLA stores in hardcopy form many historical documents. In FY18 it is planned to scan most of these documents into electronic form. This will both substantially improve organisational risk management and save on document storage costs. It will also greatly enhance the ease of reference and recall of documents.
- The “Other” category also includes \$1,100 in depreciation relating to the to be implemented Member Evolution information system. The \$1,100 is derived by writing the initial capital cost of \$16,500 off over an estimated 15-year useful life. This 15-year life is a conservative estimate (i.e. provides a higher depreciation expense) for accounting purposes. It must be emphasised that it is expected Member Evolution will be suitable to ANZSLA’s needs for a much longer period. For

the remaining financial statement impact of Member Evolution please refer to the “Balance Sheet and Cash Flow” Section of this report.

Financial Expenses

- The table below provides the historical trend in budgeted and actual Financial Expenses and the FY18 Budget estimate:

Description	Budget	Audited	Budget	Audited	Budget
	30-Jun-16	30-Jun-16	30-Jun-17	30-Jun-17	30-Jun-18
<u>FINANCIAL EXPENSES</u>					
Audit and Accountancy	\$4,500	\$7,601	\$4,400	\$4,780	\$5,500
Bank and Currency	\$1,350	(\$2,074)	\$1,400	\$4,238	\$1,650
Insurance	\$2,300	\$2,305	\$2,350	\$2,083	\$2,150
	\$8,150	\$7,832	\$8,150	\$11,101	\$9,300

- Most of ANZSLA’s Financial Expenses are expected to be relatively stable year on year.
- Bank and Currency costs will be volatile year to year depending on the movement of the strength of the New Zealand Dollar relative to the Australian Dollar.
- Generally Financial Expenses should be \$10,000 or under. FY17 had an unfavourable exchange rate movement of \$2.7k. However, this is not expected to be recurring as it arose primarily due to the transfer to Australian Dollars of the surplus from the FY16 New Zealand conference.

Balance Sheet and Cash Flow

As shown in Appendix 2, ANZSLA has budgeted an ending FY18 net asset figure for the balance sheet of \$227.9k and a closing FY18 cash balance of \$237.5k. These forecasts are discussed below.

Current assets

Cash balance

- In FY18 ANZSLA forecasts cash outflows \$27.2k. This is mainly due to the investment in Member Evolution combined with the forecast loss and a forecast investment in working capital.
- The implementation costs for the new Member Evolution system are expected to total \$16,500. This shown in the “Investing Cash Flows” section of the Cash Flow Statement in Appendix 2.
- The basis of the operating loss (\$6,286) is explained in the “Profit and Loss” section above and outlined in detail in Appendix 1.
- Working capital is budgeted to increase by \$5.5k in FY18 due to an increase in the net position of current assets less current liabilities as described below.

Other current assets:

- The FY18 Budget assumes a decrease in conference pre-paid expenses from \$27,989 in FY17 to \$20,000 in FY18. FY17’s pre-paid expenses are higher due to the conference being held in Sydney - a relatively more expensive host city.

Current liabilities

- Current liabilities consist primarily of creditors and accrued expenses, income received in advance and BAS payable.
- The FY18 budget assumes current liabilities of \$47.6k at year end compared to the FY17 audited balance of \$61.1k. A reduction in current liabilities reduces cash flow as detailed in Appendix 2. The balance is expected to be lower as the Sydney conference obtained sponsorship cash flows in the FY17 year for the FY18 conference (i.e. sponsorship income received in advance). This is not expected to be a recurring pattern.

For full details of ANZSLA’s FY18 Budget please refer to Appendices 1 (Profit and Loss) and 2 (Balance Sheet and Cash Flow).



Terrence Gracey
Finance Director

[4 October 2017]

Appendix 1: Profit and Loss

Description	Budget 30-Jun-16	Audited 30-Jun-16	Budget 30-Jun-17	Audited 30-Jun-17	Budget 30-Jun-18
REVENUE					
<u>MEMBERS SUBSCRIPTIONS</u>					
Australian Members	\$69,153	\$61,231	\$62,149	\$61,234	\$61,234
New Zealand Members	\$10,969	\$13,841	\$14,049	\$14,466	\$13,743
NET MEMBERS SUBSCRIPTIONS	\$80,121	\$75,072	\$76,198	\$75,700	\$74,977
<u>CONFERENCE RESULT</u>					
Revenue	\$192,814	\$181,615	\$130,251	\$145,002	\$166,000
Expenses	(\$173,624)	(\$142,514)	(\$90,233)	(\$92,792)	(\$124,000)
NET CONFERENCE RESULT	\$19,190	\$39,101	\$40,018	\$52,211	\$42,000
<u>OTHER REVENUE</u>					
Sponsorship	\$1,000	\$1,000	\$2,000	\$909	\$909
Sales of publications	\$2,100	\$4,563	\$2,750	\$3,125	\$3,000
Regional seminar revenue	\$6,018	\$4,047	\$4,250	\$1,698	\$4,000
Interest received	\$3,391	\$2,550	\$2,500	\$4,391	\$5,000
Other	\$500	\$0	\$0	\$400	\$0
OTHER REVENUE	\$13,009	\$12,160	\$11,500	\$10,523	\$12,909
TOTAL REVENUE	\$112,320	\$126,333	\$127,716	\$138,434	\$129,886
EXPENSES					
<u>DIRECT MEMBER BENEFITS</u>					
Communication/Publications	\$6,800	\$8,204	\$16,905	\$11,925	\$21,000
Meetings and seminars	\$12,600	\$4,627	\$13,700	\$21,397	\$13,500
Awards	\$4,030	\$2,154	\$3,000	\$3,409	\$3,500
New Zealand Operations	\$10,500	\$7,497	\$6,900	\$11,243	\$10,200
DIRECT MEMBER BENEFITS	\$33,930	\$22,483	\$40,505	\$47,974	\$48,200
<u>ADMINISTRATIVE COSTS</u>					
Employee Salary Costs	\$63,869	\$63,226	\$65,700	\$65,700	\$67,671
Leave Accrual movement	\$0	\$9,855	(\$1,355)	(\$248)	\$0
Telephone expenses	\$3,550	\$2,081	\$1,900	\$2,705	\$2,500
Other	\$2,375	\$7,020	\$3,249	\$3,160	\$8,501
ADMINISTRATIVE COSTS	\$69,794	\$82,182	\$69,494	\$71,317	\$78,672
<u>FINANCIAL EXPENSES</u>					
Audit and Accountancy	\$4,500	\$7,601	\$4,400	\$4,780	\$5,500
Bank and Currency	\$1,350	(\$2,074)	\$1,400	\$4,238	\$1,650
Insurance	\$2,300	\$2,305	\$2,350	\$2,083	\$2,150
FINANCIAL EXPENSES	\$8,150	\$7,832	\$8,150	\$11,101	\$9,300
TOTAL EXPENSES	\$111,874	\$112,496	\$118,149	\$130,392	\$136,172
NET PROFIT	\$447	\$13,836	\$9,567	\$8,041	(\$6,286)

Appendix 2: Budgeted balance sheet

Description	Budget		Audited		Budget		Audited		Budget	
	30-Jun-16		30-Jun-16		30-Jun-17		30-Jun-17		30-Jun-18	
Accumulated Funds b/f		\$212,321		\$212,321		\$226,157		\$226,157		\$234,198
Surplus/(Deficiency) for year/period		\$447		\$13,836		\$9,568		\$8,041		(\$6,286)
Accumulated Funds at Balance Date		\$212,767		\$226,157		\$235,725		\$234,198		\$227,912
Represented by:										
CURRENT ASSETS										
Australian bank accounts										
Conference Ac		\$75		\$14,520		\$14,520		\$14,520		\$14,520
Westpac Chq Ac		\$30,176		\$41,045		\$41,045		\$41,045		\$41,045
Petty Cash Ac (Debit Card)		\$1,875		\$1,998		\$1,998		\$1,998		\$1,998
Westpac Term Deposits		\$170,460		\$174,817		\$174,817		\$174,817		\$174,817
	\$169,608		\$202,587		\$211,162		\$232,379		\$208,510	
New Zealand bank accounts										
Conference Ac		\$8,720		\$3,949		\$3,949		\$3,949		\$3,949
Westpac Membership A/c		\$44,853		\$29,873		\$29,873		\$29,873		\$29,873
National Bank of NZ No 1		(\$81)		\$0		\$0		\$0		\$0
		\$53,492		\$33,823		\$33,823		\$33,823		\$33,823
Currency Revaluation		(\$2,258)		(\$1,560)		(\$1,560)		(\$1,560)		(\$1,560)
	\$42,402		\$51,234		\$53,403		\$32,263		\$28,949	
TOTAL BANK ACCOUNTS	\$212,010		\$253,821		\$264,565		\$264,642		\$237,459	
Other Current Assets										
Sundry Accounts Receivable	\$0		\$2,097		\$0		\$0		\$0	
Community First Shares (at Cost)	\$0		\$2		\$10,000		\$2		\$2	
PrePaid conf expenses	\$10,000		\$11,750		\$0		\$27,989		\$20,000	
TOTAL OTHER	\$10,000		\$13,849		\$10,002		\$27,991		\$20,002	
TOTAL CURRENT ASSETS	\$222,010		\$267,670		\$274,567		\$292,633		\$257,461	
NON CURRENT ASSETS										
Patents	\$2,658		\$2,658		\$2,658.00		\$2,658		\$2,658	
Office Equipments @ Cost	\$16,800		\$16,800		\$16,800		\$16,800		\$33,300	
Less Provn for Dep'n	(\$16,201)		(\$16,351)		(\$16,800)		(\$16,800)		(\$17,900)	
	\$599		\$449		\$0		\$0		\$15,400	
TOTAL NON CURRENT ASSETS	\$3,257		\$3,107		\$2,658		\$2,658		\$18,058	
TOTAL ASSETS	\$225,267		\$270,777		\$277,225		\$295,291		\$275,519	
CURRENT LIABILITIES										
Creditors & Accrued Expenses	\$1,500		\$9,855		\$8,500		\$11,916		\$9,607	
Aust BAS Payable	\$2,000		\$2,549		\$3,000		\$1,489		\$3,000	
Income in Advance	\$9,000		\$32,216		\$30,000		\$47,688		\$35,000	
TOTAL CURRENT LIABILITIES	\$12,500		\$44,620		\$41,500		\$61,093		\$47,607	
NET ASSETS	\$212,767		\$226,157		\$235,725		\$234,198		\$227,912	

Appendix 2 (Cont): Cash flow statement

High level cash flow	Audited	Audited	Audited	Budget
	30-Jun-15	30-Jun-16	30-Jun-17	30-Jun-18
Operating Cash Flow				
Net Profit	\$13,797	\$13,836	\$8,041	(\$6,286)
Add/(Less) Non-cash items				
Depreciation	\$332	\$400	\$449	\$1,100
Movement in working capital (see table below)	(\$1,510)	\$15,481	\$2,331	(\$5,497)
Investing Cash Flow				
Less Investment in Member Evolution MIS	\$0	\$0	\$0	(\$16,500)
Movement in cash for the year	\$12,618	\$29,717	\$10,821	(\$27,183)
Opening cash balance	\$211,485	\$224,104	\$253,821	\$264,642
Closing cash balance	\$224,104	\$253,821	\$264,642	\$237,459
Working capital	Audited	Audited	Audited	Audited
	30-Jun-14	30-Jun-15	30-Jun-16	30-Jun-17
Current assets (exc cash)	\$11,892	\$10,466	\$13,849	\$27,991
Current liabilities	(\$28,692)	(\$25,757)	(\$44,620)	(\$61,093)
Working capital	(\$16,801)	(\$15,290)	(\$30,771)	(\$33,102)
Movement in working capital		(\$1,510)	\$15,481	\$2,331