

## Financial Year 2019 (FY19) Budget

### ANZSLA AGM 18 October 2018

This report sets out the projected ANZSLA Profit and Loss Statement, Balance Sheet and Cash Flow Statement for FY19 (FY19 Budget).

The detailed FY19 budgeted financial statements are provided in the Appendices to this report. Appendix 1 contains the FY19 Budgeted Profit and Loss Statement and Appendix 2 provides the FY19 Budgeted Balance Sheet and Cash Flow Statement.

The main body of this report sets out the key assumptions driving the FY19 Budget estimates.

#### Profit and Loss Statement

As shown in Appendix 1, ANZSLA has budgeted for a \$12,118 loss in FY19.

#### Revenue

##### Members' Subscriptions:

- The table below summarises ANZSLA's Member Subscription revenue over time the FY19 Budget estimate:

Description	Budget	Audited	Budget	Audited	Budget
	30-Jun-17	30-Jun-17	30-Jun-18	30-Jun-18	30-Jun-19
<b>MEMBERS SUBSCRIPTIONS</b>					
Australian Members	\$62,149	\$61,234	\$61,234	\$70,775	\$67,237
New Zealand Members	\$14,049	\$14,466	\$13,743	\$13,116	\$13,116
<b>NET MEMBERS SUBSCRIPTIONS</b>	<b>\$76,198</b>	<b>\$75,700</b>	<b>\$74,977</b>	<b>\$83,892</b>	<b>\$80,353</b>
<i>Growth benchmark</i>				<i>FY18 Actual</i>	<i>FY19 Budgeted</i>
%				10.8%	-4.2%

- In FY18 Member Subscription revenue grew 10.8% substantially due to the record delegate numbers at the Sydney conference.
- As the FY19 conference is at a regional centre (Gold Coast), ANZSLA is forecasting a 4.2% decline in Member Subscription revenue.

### Annual conference

- The latest budget for the 2018 ANZSLA conference on the Gold Coast (the FY19 conference) estimates a profit of \$43.5k. This budget is the best available estimate for the ANZSLA conference result and has therefore been used to formulate the FY19 Budget.
- The historical ANZSLA conference budget and results and the FY19 budgeted result are provided in the table below:

Description	Budget	Audited	Budget	Audited	Budget
	30-Jun-17	30-Jun-17	30-Jun-18	30-Jun-18	30-Jun-19
<b>CONFERENCE RESULT</b>					
Revenue	\$130,251	\$145,002	\$166,000	\$222,727	\$167,500
Expenses	(\$90,233)	(\$92,792)	(\$124,000)	(\$169,564)	(\$124,000)
<b>NET CONFERENCE RESULT</b>	<b>\$40,018</b>	<b>\$52,211</b>	<b>\$42,000</b>	<b>\$53,163</b>	<b>\$43,500</b>

### Other revenue

- The table below summarises ANZSLA's sources of other income, the historical budgeted and actual results and the FY19 Budget estimate:

Description	Budget	Audited	Budget	Audited	Budget
	30-Jun-17	30-Jun-17	30-Jun-18	30-Jun-18	30-Jun-19
<b>OTHER REVENUE</b>					
Sponsorship	\$2,000	\$909	\$909	\$909	\$909
Sales of publications	\$2,750	\$3,125	\$3,000	\$3,682	\$1,500
Regional seminar revenue	\$4,250	\$1,698	\$4,000	\$4,759	\$4,000
Interest received	\$2,500	\$4,391	\$5,000	\$3,310	\$3,000
Other	\$0	\$400	\$0	\$635	\$0
	<b>\$11,500</b>	<b>\$10,523</b>	<b>\$12,909</b>	<b>\$13,295</b>	<b>\$9,409</b>
<i>Growth benchmark</i>				<i>FY18 Actual</i>	<i>FY19 Budgeted</i>
%				26.3%	-29.2%

- In FY19 ANZSLA has budgeted for an overall decrease in Other Revenue of 29.2%.
- The trend in sales of publications early in F19 is indicating a decline from FY18 levels and the interest rates achieved on ANZSLA's term deposits have also been weakening.
- Whilst variable from an item by item perspective, it is hoped 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 recognise members who have significantly contributed to the field of sports law.
- The table below summarises ANZSLA's categories of Direct Member Benefits, the historical budgeted and actual results and the FY19 Budget estimate:

Description	Budget	Audited	Budget	Audited	Budget
	30-Jun-17	30-Jun-17	30-Jun-18	30-Jun-18	30-Jun-19
<b>DIRECT MEMBER BENEFITS</b>					
Communication/Publications	\$16,905	\$11,925	\$21,000	\$13,917	\$17,080
Meetings and seminars	\$13,700	\$21,397	\$13,500	\$19,627	\$22,000
Awards	\$3,000	\$3,409	\$3,500	\$1,924	\$3,600
New Zealand Operations	\$6,900	\$11,243	\$10,200	\$8,750	\$9,000
	<b>\$40,505</b>	<b>\$47,974</b>	<b>\$48,200</b>	<b>\$44,219</b>	<b>\$51,680</b>
<i>Growth benchmark</i>				<i>FY18 Actual</i>	<i>FY19 Budgeted</i>
%				-7.8%	16.9%

- 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 of The Commentator, E-Newsletter, and ANZSLA Journal. FY19’s communication costs also include the monthly licence fee for use and support of the Member Evolution system (approximately \$380 per month).
  - **Meetings and Seminars:** The FY19 Budget includes costs for the strategic retreat. To mitigate the impact of these costs, the budget for regional events has been lowered. However, rather than reducing the number of regional events the ANZSLA Board is aiming to achieve regional event KPIs in a more cost-effective manner through use of ANZSLA Member and Member Firm networks.
  - **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 FY19 Budget estimate:

Description	Budget	Audited	Budget	Audited	Budget
	30-Jun-17	30-Jun-17	30-Jun-18	30-Jun-18	30-Jun-19
<b>ADMINISTRATIVE COSTS</b>					
Employee Salary Costs	\$65,700	\$65,700	\$67,671	\$69,255	\$75,000
Leave Accrual/Other employee exp	(\$1,355)	(\$248)	\$0	\$4,242	\$3,000
Telephone expenses	\$1,900	\$2,705	\$2,500	\$2,480	\$2,500
Other	\$3,249	\$3,160	\$8,501	\$3,054	\$4,800
	<b>\$69,494</b>	<b>\$71,317</b>	<b>\$78,672</b>	<b>\$79,031</b>	<b>\$85,300</b>

- Administration expenses are budgeted to remain relatively stable year on year but are affected by inflation and once off events.
- The “Other” category FY19 budget includes \$2,000 in depreciation relating to the to be implemented Member Evolution information system. There was no depreciation in FY18 as the system went live in June 18 (i.e. last month of financial year FY18).

*Financial Expenses*

- The table below provides the historical trend in budgeted and actual Financial Expenses and the FY19 Budget estimate:

Description	Budget	Audited	Budget	Audited	Budget
	30-Jun-17	30-Jun-17	30-Jun-18	30-Jun-18	30-Jun-19
<b>FINANCIAL EXPENSES</b>					
Audit and Accountancy	\$4,400	\$4,780	\$5,500	\$4,540	\$5,000
Bank and Currency	\$1,400	\$4,238	\$1,650	\$2,508	\$1,400
Insurance	\$2,350	\$2,083	\$2,150	\$2,071	\$2,000
	<b>\$8,150</b>	<b>\$11,101</b>	<b>\$9,300</b>	<b>\$9,119</b>	<b>\$8,400</b>

- 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.
- Annual Financial Expenses are expected to continue to be approximately \$10,000 or under.

## **Balance Sheet and Cash Flow**

As shown in Appendix 2, ANZSLA has budgeted an ending FY19 net asset (Member Funds) figure for the balance sheet of \$240,060 and a closing FY19 cash balance of \$241,424. These forecasts are discussed below.

### ***Current assets***

- In FY19 ANZSLA forecasts cash outflows of \$6,680. This is mainly due to the forecast loss of \$12,118.
- Working capital is budgeted to decrease by \$3,438 in FY19 due to a decrease in the net position of current assets less current liabilities as shown in Appendix 2.

### ***Current liabilities***

- Current liabilities consist primarily of creditors and accrued expenses, income received in advance and BAS payable.
- The FY19 budget assumes current liabilities of \$38,733 at year end compared to the FY18 audited balance of \$36,005. The underlying forecast liability balances are shown in Appendix 2.

For full details of ANZSLA's FY19 Budget please refer to Appendices 1 (Profit and Loss) and 2 (Balance Sheet and Cash Flow).



Terrence Gracey  
*Finance Director*

**7 October 2018**

## Appendix 1: Profit and Loss

Description	Budget	Audited	Budget	Audited	Budget
	30-Jun-17	30-Jun-17	30-Jun-18	30-Jun-18	30-Jun-19
<b>REVENUE</b>					
<b>MEMBERS SUBSCRIPTIONS</b>					
Australian Members	\$62,149	\$61,234	\$61,234	\$70,775	\$67,237
New Zealand Members	\$14,049	\$14,466	\$13,743	\$13,116	\$13,116
<b>NET MEMBERS SUBSCRIPTIONS</b>	<b>\$76,198</b>	<b>\$75,700</b>	<b>\$74,977</b>	<b>\$83,892</b>	<b>\$80,353</b>
<b>CONFERENCE RESULT</b>					
Revenue	\$130,251	\$145,002	\$166,000	\$222,727	\$167,500
Expenses	(\$90,233)	(\$92,792)	(\$124,000)	(\$169,564)	(\$124,000)
<b>NET CONFERENCE RESULT</b>	<b>\$40,018</b>	<b>\$52,211</b>	<b>\$42,000</b>	<b>\$53,163</b>	<b>\$43,500</b>
<b>OTHER REVENUE</b>					
Sponsorship	\$2,000	\$909	\$909	\$909	\$909
Sales of publications	\$2,750	\$3,125	\$3,000	\$3,682	\$1,500
Regional seminar revenue	\$4,250	\$1,698	\$4,000	\$4,759	\$4,000
Interest received	\$2,500	\$4,391	\$5,000	\$3,310	\$3,000
Other	\$0	\$400	\$0	\$635	\$0
<b>OTHER REVENUE</b>	<b>\$11,500</b>	<b>\$10,523</b>	<b>\$12,909</b>	<b>\$13,295</b>	<b>\$9,409</b>
<b>TOTAL REVENUE</b>	<b>\$127,716</b>	<b>\$138,434</b>	<b>\$129,886</b>	<b>\$150,349</b>	<b>\$133,262</b>
<b>EXPENSES</b>					
<b>DIRECT MEMBER BENEFITS</b>					
Communication/Publications	\$16,905	\$11,925	\$21,000	\$13,917	\$17,080
Meetings and seminars	\$13,700	\$21,397	\$13,500	\$19,627	\$22,000
Awards	\$3,000	\$3,409	\$3,500	\$1,924	\$3,600
New Zealand Operations	\$6,900	\$11,243	\$10,200	\$8,750	\$9,000
<b>DIRECT MEMBER BENEFITS</b>	<b>\$40,505</b>	<b>\$47,974</b>	<b>\$48,200</b>	<b>\$44,219</b>	<b>\$51,680</b>
<b>ADMINISTRATIVE COSTS</b>					
Employee Salary Costs	\$65,700	\$65,700	\$67,671	\$69,255	\$75,000
Leave Accrual/Other employee exp	(\$1,355)	(\$248)	\$0	\$4,242	\$3,000
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Other	\$3,249	\$3,160	\$8,501	\$3,054	\$4,800
<b>ADMINISTRATIVE COSTS</b>	<b>\$69,494</b>	<b>\$71,317</b>	<b>\$78,672</b>	<b>\$79,031</b>	<b>\$85,300</b>
<b>FINANCIAL EXPENSES</b>					
Audit and Accountancy	\$4,400	\$4,780	\$5,500	\$4,540	\$5,000
Bank and Currency	\$1,400	\$4,238	\$1,650	\$2,508	\$1,400
Insurance	\$2,350	\$2,083	\$2,150	\$2,071	\$2,000
<b>FINANCIAL EXPENSES</b>	<b>\$8,150</b>	<b>\$11,101</b>	<b>\$9,300</b>	<b>\$9,119</b>	<b>\$8,400</b>
<b>TOTAL EXPENSES</b>	<b>\$118,149</b>	<b>\$130,392</b>	<b>\$136,172</b>	<b>\$132,369</b>	<b>\$145,380</b>
<b>NET PROFIT</b>	<b>\$9,567</b>	<b>\$8,041</b>	<b>(\$6,286)</b>	<b>\$17,981</b>	<b>(\$12,118)</b>

## Appendix 2: Budgeted balance sheet

Description	Budget		Audited		Budget		Audited		Budget	
	30-Jun-17		30-Jun-17		30-Jun-18		30-Jun-18		30-Jun-19	
Accumulated Funds b/f		\$226,157	\$226,157	\$226,157	\$234,198	\$234,198	\$234,198	\$234,198	\$252,179	
Surplus/(Deficiency) for year/period		\$9,568	\$8,041	\$8,041	(\$6,286)	\$17,981	\$17,981	\$17,981	(\$12,118)	
<b>Accumulated Funds at Balance Date</b>		<b>\$235,725</b>	<b>\$234,198</b>	<b>\$234,198</b>	<b>\$227,912</b>	<b>\$252,179</b>	<b>\$252,179</b>	<b>\$252,179</b>	<b>\$240,060</b>	
Represented by:										
<b>CURRENT ASSETS</b>										
<b>Australian bank accounts</b>										
		\$211,162	\$232,379	\$232,379	\$208,510	\$212,355	\$212,355	\$212,355	\$206,637	
<b>New Zealand bank accounts</b>										
		\$53,403	\$32,263	\$32,263	\$28,949	\$35,749	\$35,749	\$35,749	\$34,786	
<b>TOTAL BANK ACCOUNTS</b>										
		<b>\$264,565</b>	<b>\$264,642</b>	<b>\$264,642</b>	<b>\$237,459</b>	<b>\$248,104</b>	<b>\$248,104</b>	<b>\$248,104</b>	<b>\$241,424</b>	
<b>Other Current Assets</b>										
Community First Shares (at Cost)	\$10,000		\$2	\$2	\$2	\$2	\$2	\$2	\$2	
PrePaid conf expenses	\$0		\$27,989	\$27,989	\$20,000	\$15,710	\$15,710	\$15,710	\$15,000	
TOTAL OTHER	\$10,002		\$27,991	\$27,991	\$20,002	\$15,712	\$15,712	\$15,712	\$15,002	
<b>TOTAL CURRENT ASSETS</b>		<b>\$274,567</b>	<b>\$292,633</b>	<b>\$292,633</b>	<b>\$257,461</b>	<b>\$263,815</b>	<b>\$263,815</b>	<b>\$263,815</b>	<b>\$256,426</b>	
<b>NON CURRENT ASSETS</b>										
Patents	\$2,658		\$2,658	\$2,658	\$2,658.00	\$2,658	\$2,658	\$2,658	\$2,658	
Office Eqmt and Software @ Cost	\$16,800		\$16,800	\$16,800	\$33,300	\$38,510	\$38,510	\$38,510	\$38,510	
Less Provn for Dep'n	(\$16,800)		(\$16,800)	(\$16,800)	(\$17,900)	(\$16,800)	(\$16,800)	(\$16,800)	(\$18,800)	
	\$0		\$0	\$0	\$15,400	\$21,710	\$21,710	\$21,710	\$19,710	
<b>TOTAL NON CURRENT ASSETS</b>		<b>\$2,658</b>	<b>\$2,658</b>	<b>\$2,658</b>	<b>\$18,058</b>	<b>\$24,368</b>	<b>\$24,368</b>	<b>\$24,368</b>	<b>\$22,368</b>	
<b>TOTAL ASSETS</b>		<b>\$277,225</b>	<b>\$295,291</b>	<b>\$295,291</b>	<b>\$275,519</b>	<b>\$288,183</b>	<b>\$288,183</b>	<b>\$288,183</b>	<b>\$278,794</b>	
<b>CURRENT LIABILITIES</b>										
Creditors & Accrued Expenses	\$8,500		\$11,916	\$11,916	\$9,607	\$12,733	\$12,733	\$12,733	\$15,733	
Aust BAS Payable	\$3,000		\$1,489	\$1,489	\$3,000	\$2,291	\$2,291	\$2,291	\$3,000	
Income in Advance	\$30,000		\$47,688	\$47,688	\$35,000	\$20,980	\$20,980	\$20,980	\$20,000	
<b>TOTAL CURRENT LIABILITIES</b>		<b>\$41,500</b>	<b>\$61,093</b>	<b>\$61,093</b>	<b>\$47,607</b>	<b>\$36,005</b>	<b>\$36,005</b>	<b>\$36,005</b>	<b>\$38,733</b>	
<b>NET ASSETS</b>		<b>\$235,725</b>	<b>\$234,198</b>	<b>\$234,198</b>	<b>\$227,912</b>	<b>\$252,179</b>	<b>\$252,179</b>	<b>\$252,179</b>	<b>\$240,060</b>	

**Appendix 2 (Cont): Cash flow statement**

<b>High level cash flow</b>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Budget</b>
	<b>30-Jun-16</b>	<b>30-Jun-17</b>	<b>30-Jun-18</b>	<b>30-Jun-19</b>
<b>Operating Cash Flow</b>				
Net Profit	\$13,836	\$8,041	\$17,981	(\$12,118)
<b>Add/(Less) Non-cash items</b>				
Depreciation	\$400	\$449	\$0	\$2,000
Movement in working capital (see table below)	\$15,481	\$2,331	(\$12,809)	\$3,438
<b>Investing Cash Flow</b>				
Less Investment in Member Evolution MIS	\$0	\$0	(\$21,710)	\$0
<b>Movement in cash for the year</b>	\$29,717	\$10,821	(\$16,538)	(\$6,680)
Opening cash balance	\$224,104	\$253,821	\$264,642	\$248,104
<b>Closing cash balance</b>	<b>\$253,821</b>	<b>\$264,642</b>	<b>\$248,104</b>	<b>\$241,424</b>
<b>Working capital</b>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Budget</b>
	<b>30-Jun-15</b>	<b>30-Jun-16</b>	<b>30-Jun-17</b>	<b>30-Jun-18</b>
Current assets (exc cash)	\$13,849	\$27,991	\$15,712	\$15,002
Current liabilities	(\$44,620)	(\$61,093)	(\$36,005)	(\$38,733)
<b>Working capital</b>	<b>(\$30,771)</b>	<b>(\$33,102)</b>	<b>(\$20,293)</b>	<b>(\$23,731)</b>
<b>Movement in working capital</b>	<b>\$15,481</b>	<b>\$2,331</b>	<b>(\$12,809)</b>	<b>\$3,438</b>