

## **FY 2020 FINANCE REPORT**

### **ANZSLA AGM 29 OCTOBER 2020**

The summary financial results for the financial year ended 30 June 2020 as disclosed in the audited statutory accounts compared to the FY 2020 budget presented at the 2019 ANZSLA Annual General Meeting are as follows:

- **Profit and Loss:** - ANZSLA made an audited profit for the year ended 30 June 2020 of \$39,752 compared with a FY 2020 budgeted loss of \$7,597 This represents a \$47,169 improvement in the association's financial performance to that which was forecast.
- **Balance Sheet:** - Member's Funds increased by \$39,752 from \$284,328 at the end of the 2019 financial year to \$ 324,080 at 30 June 2020. This was against a budgeted reduction in member funds to \$ 276,730.
- **Cash Flow:-** ANZSLA had audited net cash inflows of \$ 37,142 resulting from a better than forecast conference result, COVID-19 financial support from various Government departments as well as prudent financial management by the Board.

I would like to thank Sharon Scriven, Jude Fppard and Deryn Evans for their assistance with the finance function of the organisation. The 2020 financial year brought many challenges to the organisation, in addition to managing the impact of COVID-19 we have successfully transformed the financial record and bookkeeping processes to enable more accurate and timely reporting.

The Finance Report to follow will provide more details relating to the audited Financial statements for the year ended 30 June 2020.

## Headline Numbers

	30 June 2018 Audited	30 June 2019 Audited	30 June 2020 Budget	30 June 2020 Audited
<b>Profit and Loss</b>				
Revenue (excluding conference revenue)	\$97,187	\$98,837	\$103,124	\$126,510
Expenses (excluding conference expenses)	\$132,369	\$130,492	\$140,610	\$133,566
<b>Net Profit – Pre-conference</b>	<b>-\$35,182</b>	<b>-\$31,655</b>	<b>-\$37,486</b>	<b>-\$7,056</b>
Conference result	\$53,163	\$63,804	\$29,889	\$46,808
<b>Net Profit</b>	<b>\$17,981</b>	<b>\$32,149</b>	<b>-\$7,597</b>	<b>\$39,752</b>
<b>Balance Sheet</b>				
Total Member Funds	\$252,179	\$284,328	\$276,731	\$324,080

Key points for consideration are as follows:

- ANZSLA's pre-conference loss materially reduced in comparison to prior financial years, largely due to the decrease in event expenses, meeting and seminar expenses and bank expenses.
- ANZSLA's financial position benefitted greatly through the income support received by both the Australian Federal Government's JobKeeper and Cash Flow Boost schemes as well as the NSW Government's Small Business COVID-19 Support which totalled \$ 26,000.
- The ANZSLA conference is again the driving factor as to the overall financial health of the organisation with improvement of \$ 16,919 from the budgeted result figure which lead to the overall net profit for the year being \$46,808
- The 2020 financial performance against budget is summarised in the table on the page following:

Favourable / (Unfavourable) Variance	
<b>Revenue</b>	
Australian Member Revenue	-\$524
New Zealand Member Revenue	-\$5,288
Overseas Member Revenue	\$2,086
Annual Conference	\$16,918
Other Income	\$27,111
<b>Expenses</b>	
Direct Member Benefits	\$8,095
Administration	-\$2,611
Financial Expenses	\$1,562
Total Variances	\$47,349
Budgeted FY 2020 Result	-\$7,597
<b>Actual FY 2020 Result</b>	<b>\$39,725</b>

- Over the course of the last 12 months ANZSLA has differentiated member revenue from countries outside of Australia and New Zealand and for the first time has included a separate account for that income in the financial statements
- The board continues to implement controls over supplier arrangements to ensure expenditure is targeted as much as possible towards member benefits
- ANZSLA members and networks have adapted to the change in delivery for our events which has reduced the requirement to hire physical venues as the events move to online engagement.

## Profit and Loss

### Revenue

	30 June 2018 Audited	30 June 2019 Audited	30 June 2020 Budget	30 June 2020 Audited
Member Subscriptions - Australia	\$70,775	\$67,665	\$67,517	\$66,993
Membership subscriptions - New Zealand	\$13,116	\$18,188	\$17,500	\$12,212
Membership subscriptions - Overseas	-	-	-	\$2,086
Conference Income	\$222,727	\$176,146	\$150,372	\$174,575
Other Income	\$13,295	\$12,984	\$18,107	\$45,218
<b>Total Income</b>	<b>\$319,914</b>	<b>\$274,983</b>	<b>\$253,496</b>	<b>\$301,084</b>

### Ratios – year on year growth

	FY 2019	FY 2020
Member Subscriptions - Australia	-4.6%	-1.00%
Membership subscriptions - New Zealand	38.7%	-32.86%
Conference Income	-27.8%	0.89%
Other Income	-3.3%	148.26%
<b>Total Income</b>	<b>-17.5%</b>	<b>9.49%</b>

Some Key observations in relation to ANZSLA's revenue sources are as follows:

- During the course of the preparation of the 2019 statutory accounts the account called 'Member subscriptions – New Zealand' was identified as misleading as this account included member subscriptions from not only New Zealand but also other non-Australian members. This was rectified in the 2020 financial statements to more accurately reflect the source of our member revenue. This rectification contributes to the significant variance in 'Member subscriptions – New Zealand' year on year.
- The large increase in *Other Income* largely relates to government financial support measures received by the association from the Australian and New South Wales governments
- All other sources of revenue remained in line with previous years.
- Total member numbers for the year ended 30 June 2020 were as follows:

<u>Region</u>	<u>Members</u>
Australia	374
New Zealand	79
Overseas	13
<b>Total Members</b>	<b>466</b>

## Expense Items

The table below provides a summary of the key categories of expenses for ANZSLA:

	30 June 2018 Audited	30 June 2019 Audited	30 June 2020 Budget	30 June 2020 Audited
Conference Expenses	\$169,564	\$112,342	\$120,483	\$127,768
Direct Member Benefits	\$44,219	\$29,963	\$25,045	\$16,951
Administration Expenses	\$79,031	\$88,944	\$105,256	\$107,867
Finance Expenses	\$9,119	\$11,585	\$10,309	\$8,748
<b>Total Expenses</b>	<b>\$301,933</b>	<b>\$242,834</b>	<b>\$261,093</b>	<b>\$261,334</b>

## Ratios – year on year growth

	<b>FY 2019</b>	<b>FY 2020</b>
Conference Expenses	-33.6%	6.05%
Direct Member Benefits	-32.7%	-32.32%
Administration Expenses	12.5%	2.48%
Financial Expenses	-27.0%	-15.14%
<b>Total Expenses</b>	<b>-19.6%</b>	<b>0.09%</b>

Some Key observations in relation to ANZSLA's expense items are as follows:

- The slight increase in conference expenditure mirrors the increase in conference income demonstrating that a majority of the conference expenditure is of a variable nature
- Direct Member Benefit expenditure decreased through an ongoing managed reduction in communication costs and the online delivery of events later in the financial year.
- Administration expenses remain stable
- The reduction in financial expenses relates to an improvement in bank fees and currency conversion costs relating to payments received from New Zealand. Changes have been made to the way payments are now received which means we are better able to manage the expenses associated with receiving these payments

## Summary

The overall result from the 2020 financial year was a satisfying one for the organisation. The better than forecast financial result is the combination of an excellent conference result, exceptional financial oversight by the board in light of the impact of COVID-19 as well as the organisational and management skills of Sharon Scriven.

For full details of the 2020 financial year results please refer to ANZSLA's 2020 audited statutory accounts.



Tim Pullman CA  
*Finance Director*

26 October 2020