

M E M O

TO: Member Clubs, Associate Members, Life Members
FROM: Peter Pfitzinger, Chief Executive
SUBJECT: Supporting Information for 2019 AGM
DATE: 22 July 2019

Agenda Item 9 – Financial Report

ENDORSEMENT:

The Board is seeking endorsement from the meeting to accept the Audited Financial Statements.

BACKGROUND:

Whilst the Finance Manager, Debrah Breedt, will be in attendance at the AGM and can respond to questions from the floor, notes to the main variances from the 2018 to the 2019 figures are also being provided now. These are operational notes and not considered part of the formal Notes to the Financial Statements as provided by the Auditors in the Audited Financial Statements, which are available at: <http://www.athletics.org.nz/About-Us/Annual-General-Meetings/2019-Annual-General-Meeting>.

Results

Operations for the financial year resulted in a surplus of \$91,567. This compares favourably to the deficit of \$63,564 in the previous year (after writing off exceptional items of \$135k), the surplus of \$44,663 in 2017 and the deficit of \$90,577 in 2016. This year's surplus increases Association Equity to \$476,510. We have a separate sustainability objective of building our reserves to cover 6 months operating costs by 2022.

Income

Overall income for the current year has decreased by \$23k compared to the previous financial year. Key variances compared to last year are highlighted below:

- Member Income (increase) – This is primarily due to the increase in membership fees for last year, which had not increased during the previous two years.
- Grants Received (decrease) – This is largely due to the nature of grant funding, with no guarantee of receiving funding from a specific grant agency or towards a specific project year-to-year. Athletics NZ is reliant on grants and has a solid track record in securing grants, but there will always be uncertainty in our grants income.
- Interest Received (increase) - The \$22k increase in interest received was partly due to more available funds and partly by taking a more structured approach in spreading out the investment of those available funds in fixed term deposits to maximise interest earning capabilities and minimise cashflow risk.
- Sport New Zealand Investments (decrease) – The main reason for the decrease is due to \$193k less of the HPSNZ investment funds needed during the year due to lower High Performance expenditures and travel costs in the middle year of the Olympic/Paralympic cycle.

Expenditure

Overall Expenditure for the current year was \$43k lower than the previous year with some of the major contributing factors outlined below:

- High Performance (decrease) – The overall costs incurred by our High Performance team was \$112k lower than the previous year mainly relating to athlete support due to reduced international camp and competition costs in the middle year of the Olympic/Paralympic cycle compared to the previous year.

- Loss on Disposal of Assets (increase) – Several items of computer equipment were written off at year end due to no longer being usable or up to our current technology requirements.
- Depreciation (increase) – The increase in depreciation costs was mainly due to the portable Pole Vault runway now owned for a full year as well as pole vault poles imported from overseas during the year.
- NZCAA (decrease) – With the New Zealand Children’s Athletics Association winding up during the year, membership payments ceased to be payable.
- Legal Fees (increase) – Some unexpected employment matters arose that required support and guidance from independent advice.

Agenda Item 17 – Closing comments from outgoing President Ian Babe

Unfortunately, health issues have arisen which prevent Ian from attending the Club Connect Conference and AGM. We would like to sincerely thank Ian for his service as President and wish him a full and speedy recovery.