

# **ANNUAL GENERAL MEETING – 17 September 2016**

## **Treasurer's Report**

The Special Purpose Financial Statements have been prepared in accordance with Australian Accounting Standards.

Our Finance Manager, Janette Law, prepared and presented the accounts to David Wilson, Australian Alpaca Association Ltd's Accountant, who subsequently presented the Special Purpose Financial Statements to the Auditor.

Auditors, Crowe Horwath, conducted the Audit of the Special Purpose Financial Statements for the 2015/2016 financial year.

### **Revenue**

We have seen a decline in revenue this year of \$66,015. The decline was fairly uniform across all areas. Whilst the overall total number of members has increased slightly this year, which is a positive sign that our marketing strategy is working, revenue from Membership subscriptions has declined. This is due to the decline in members not renewing their membership, a trend which has been occurring over a number of years. Whilst 'the turn back time sale' was successful in encouraging members to update their records on the IAR database, revenue from animal transfers experienced a decline of \$3,600. However animal registrations went against the trend with an increase in revenue of \$5,616 from the previous year. The decline in interest from investments and decline in revenue from the National Show and Sale (NS&S) has also had a significant impact on revenue this year.

The company received a credit offset from ABRI of \$52,109 for processing costs relating to charges from 2009, this has not only assisted in providing additional income to offset some of the decline in revenue as mentioned above but has allowed the Board to continue to provide a high standard of member services.

Therefore taking into consideration the credit from ABRI, total revenue for the financial year ending 30 June 2016 was \$951,025, which is a decrease of \$13,906 from 2015.

Just taking an historical look back, total revenue for the financial year ending 2014 was \$1,111,118. This was \$160,093 more than this year. As you all can appreciate this creates a challenge when trying to meet member expectation against a declining revenue pool.

### **Expenditure**

The Board has been prudent in its management of expenditure during the financial year, which has resulted in a decline in total expenditure of \$107,688 from 2015.

Registration and membership expenses have reduced this year along with expenditure in professional fees. Although the Board has met a total of sixteen times this year to attend to the business of the company (4 face to face and twelve teleconferences), costs relating to travel and accommodation for council and board meetings have been reduced. We now have only three staff members, one full time and two part time staff, which has resulted in the reduction of staffing

costs by \$77,722. Whilst this has in some instances increased the work load for the staff it has also meant that the Board has also had to take on added responsibilities.

In line with the strategic plan and the strategic marketing plan there has been a focus on industry promotion and marketing again this year, with Green Green Grass Communications providing ongoing consultancy. Part of that focus has been the release of the 'Our Smart Future' video at a cost of \$53,427.

Computer and website expenditure has increased this year due to the review of the IAR database.

Expenditure on the NS&S increased by \$66,358 from the NS&S held in 2014. This increase in expenditure along with the decline in revenue received resulted in a loss of \$76,984.

### **Net Position**

A net deficit of \$83,097 has occurred and can be attributed to a deficit of \$78,722 from National operations and a deficit of \$4,375 from Regional operations.

Whilst the Board has taken every step to control expenditure during the year, the reduction in revenue, along with the production of the 'Our Smart Future' video, the loss associated with the NS&S and the increase in expenditure in computer and website has resulted in this being the third consecutive year that the company has had a deficit. The Board recognises that this is unsustainable and is endeavouring to address this downward trend.

The Board also recognises that this challenge will continue into the current financial year and is aware of the need to continue to be focused on providing member services, whilst maintaining a tight control over expenditure.

The full Special Purpose Financial Report for the Financial Year ended 30 June 2016 is available upon request from either Kris Brown ([kris@alpaca.asn.au](mailto:kris@alpaca.asn.au)) or Janette Law ([Janette@alpaca.asn.au](mailto:Janette@alpaca.asn.au)) or by download from the AAA Members section of the website.

The Financial Statements were reviewed by the Audit & Risk Committee and endorsed by the AAA Board.

I present the accounts for approval and move that they be accepted.

Christine Cronshaw  
Treasurer