

Treasurer's Report 2020

Like many charities, community groups and businesses, the 2020 calendar/financial year for your Association was a challenge for a number of reasons, COVID-19 included. In the case of your Association the changes to AREC have also had an impact from both an income and expenditure viewpoint as well as the relocation of Head Office. AREC has received grants from the AREC Trust (funded by the Government) for the transition to a modern structure with guidelines and policies consistent with health and safety practices; and ensuring participants receive appropriate training for the activities undertaken. While the cancellation of your annual conference would normally be seen as saving money, the alternative held in Wellington later in the year was more expensive.

The Financial Statements are in a similar format to last year, however, the accounts that will be lodged with the Charities Commission will be the same in substance but will include reports on the Association's activities. Those activities are actually published in *Break-In* in more detail.

The reports published here have been reviewed by the Association's Reviewer and have required no changes or amendments.

The financial year to 31 December 2020 reports a deficit of \$33,838. The 2019 result was a deficit of \$37,650. This deficit is after providing for depreciation (non-cash write down) of assets of \$42,928.

The operating costs of both NZART and AREC can be further summarised as follows:

Membership & HQ Operations	2020	2019
Total Income (excluding AREC)	\$162,142	\$141,067
Total Expenses	\$161,454	\$134,017
Depreciation of HQ Assets	\$ 2,915	\$ 2,915
Surplus (Deficit) for the Financial Year	(\$ 2188)	\$ 4,135

AREC Operations

Income (Grants from AREC Trust)	\$239,343	\$ 26,000
Operating Costs	\$ 33,731	\$ 24,221
Transitional Costs	\$197,169	\$ -
Depreciation of AREC Assets	\$ 40,013	\$ 43,195
Deficit for the Financial Year	(\$ 31,610)	\$ (41,416)
Prior Year Taxation Adjustment	\$ -	(\$ 369)
Surplus (-Deficit) for the Year after Tax	\$ (33,838)	\$ (37,650)

The decision by Council (supported by the Treasurer) to provide a larger rebate for the 2021 year will have an impact on the 2021 year, however, the balance sheet is currently in a position to support that.

Based on the above information I believe that the cost of running the Association is manageable providing membership and running costs continue to run at current levels.

Evan T Sayer
Treasurer
24 April 2021

NEW ZEALAND ASSOCIATION OF RADIO TRANSMITTERS Inc

Statement of Financial Performance for the Year Ended 31 December 2020

	<u>Note</u>	<u>2020</u>	<u>2019</u>
Revenue			
Subscriptions	1	116,528	116,196
SMART Processing		7,570	7,805
Interest and Investment Income		6,537	9,843
Donations Received		22,846	6,083
Miscellaneous Income		1,547	524
Publications		84	(84)
Covid -19 Subsidy		7,030	-
Youth Development		-	700
AREC Operations (Net - not including depreciation)	2	8,403	1,779
Total Income		170,545	142,846
Expenses			
Audit Fee		2,050	1,600
Beacon & National System Costs		2,485	2,310
Break-In and Call Book		52,042	55,821
Conference		19,441	7,621
Contests, Grants and Gifts		-	-
IARU Region 3 Contribution		1,907	1,645
Insurance		2,672	2,689
Legal Expenses		3,816	760
Repeater Licence Costs		-	-
Membership Promotion		-	4,257
Office Operating Costs	3	74,955	55,810
Officers Expenses not covered elsewhere		958	-
Overseas Travel		(815)	-
QSL Bureau Costs		1,227	1,501
Website & Internet		717	-
Total Expenses		161,454	134,016
Consolidated Surplus before allowing for Depreciation		9,090	8,830
Depreciation of Head Quarters Assets		(2,915)	(2,915)
Depreciation of AREC Assets		(40,013)	(43,195)
Surplus (- Deficit) for the Year before Tax		(33,838)	(37,280)
Taxation Expense (Adjustment for prior year)		-	369
Surplus (-Deficit) for the Year after Tax		\$ (33,838)	\$ (37,650)

The attached notes form part of, and are to be read in conjunction with, these financial statements.

Registered New Zealand Charity: CC54596

NEW ZEALAND ASSOCIATION OF RADIO TRANSMITTERS Inc

Statement of Financial Position as at 31 December 2020

	<u>Note</u>	<u>2020</u>	<u>2019</u>
Current Assets			
Bank of New Zealand - Current Accounts		83,477	103,608
Bank of New Zealand - Deposit Accounts		349,452	356,896
Westpac Trust - AREC Imprest Account		24,734	2,322
Total of Bank Accounts with BNZ & Westpac		<u>457,663</u>	<u>462,826</u>
Accounts Receivable		843	757
Advance to Conference Committee		1,000	
Bookshop Stock		1,408	-
GST Refund		9,483	-
Prepayment		-	1,411
Provision for Tax		-	-
Total Current Assets		<u>470,397</u>	<u>464,994</u>
Less Current Liabilities			
Accounts Payable		34,971	8,433
GST Payable		-	2,296
Subscriptions received in Advance	4	94,383	114,357
Total Current Liabilities		<u>129,353</u>	<u>125,086</u>
Working Capital		<u>341,044</u>	<u>339,908</u>
Non Current Assets			
Fixed Assets (as per Asset Schedule)	5	45,989	80,962
Net Assets as at 31 December 2019		<u>\$ 387,033</u>	<u>\$ 420,870</u>
Members Funds			
Balance as at 1 January 2020		415,092	452,742
Add movements in reserves		(33,838)	(37,650)
		<u>381,255</u>	<u>415,092</u>
Conference Expense Fund		4,647	4,647
Non Sponsored Awards Fund		1,131	1,131
Total Members Accumulated Funds as at 31 December 2020		<u>\$ 387,033</u>	<u>\$ 420,870</u>

The attached notes form part of, and are to be read in conjunction with, these financial statements.

Registered New Zealand Charity: CC54596

NEW ZEALAND ASSOCIATION OF RADIO TRANSMITTERS Inc

Financial Notes for the Year Ended 31 December 2020

Note

1 Subscriptions

	<u>2020</u>	<u>2019</u>
Gross Subscription Received	126,298	126,049
Less rebates taken	(9,770)	(9,853)
Net Income from Subscriptions	<u>\$ 116,528</u>	<u>\$ 116,196</u>

2 AREC

Revenue

	<u>2020</u>	<u>2019</u>
NZART AREC Emergency Funds Trust	239,343	26,000
Sales to Branches	-	-
Total Revenue	<u>239,343</u>	<u>26,000</u>

Operating Expenses

Administration	11,268	10,000
Conference	1,089	8,914
Communications & Internet	2,371	22
Equipment Subsidies	-	1,391
Insurance Subsidies	7,028	715
Meeting Expenses	3,467	-
Other Costs	1,915	-
Printing & Stationery	618	-
Radio Licences	2,174	2,217
Travel	3,215	770
Vehicle Registration Subsidies	626	192
Total Operating Costs	<u>33,771</u>	<u>24,221</u>

Transitional Costs

Brand Development	3,283	-
Consulting	65,616	-
Health & Safety	6,995	-
Project Co-ordinator	16,663	-
Salary - CEO	75,702	-
Training Costs	20,410	-
Treasurer	8,500	-
Total Transitional Costs	<u>197,169</u>	<u>-</u>

Total Costs

	<u>230,940</u>	<u>24,221</u>
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Net Operating Surplus of AREC before Depreciation

	<u>\$ 8,403</u>	<u>\$ 1,779</u>
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The net operating surplus of AREC has been transferred to the Associations Statement of Performance on Page 1 of these financial statements. This change was made in the Association's Financial Reports for the 2018 year to meet new reporting recommendations.

3 Office Operating Costs

	<u>2020</u>	<u>2019</u>
ACC Levy	52	90
Bank Charges	675	772
Business Managers Expenses	249	-
Computer Support	1,707	1,298
General Expenses	597	249
Kiwisaver - Employers Contribution	1,194	957
Low Value Asset Purchases	1,737	-
Office Expenses	2,910	790
Office Relocation Costs	9,074	-
Postages & Couriers	2,188	1,741
Printing & Stationery	2,762	2,442
Power (Office)	310	-
Rent	5,453	5,694
Salaries	60,677	39,854
Security	444	261
Telephone & Fax	1,537	1,664
	<u>91,567</u>	<u>55,810</u>
Office Administration Costs Recovered	(16,611)	-
	<u>\$ 74,955</u>	<u>\$ 55,810</u>

NEW ZEALAND ASSOCIATION OF RADIO TRANSMITTERS Inc.

4 Subscriptions in Advance

1578 of the 1766 members had paid their subscriptions for 2021 prior to 31 December 2020

The amount of Subscriptions in Advance is made up as follows :

	<u>2020</u>	<u>2019</u>
Gross Subscription for the 2021 Financial Year	121,840	116,934
Less rebate	<u>(34,630)</u>	<u>(9,733)</u>
	<u>87,209</u>	<u>107,200</u>
Members Credit Balances as at 31 Dec 2020	\$ 7,173	\$ 7,157
Total Subscriptions received in advance	<u>\$ 94,383</u>	<u>\$ 114,357</u>

NB. These figures are exclusive of GST.

At the end of the 2020 financial year 89 percent of members had renewed their subscription for the ensuing year. We have budgetted to receive a further \$9,000 (5% of members) worth of the 2021 subscription income in the new year.

5 Fixed (Non Current) Assets as at 31 December 2020

	Cost			Total Cost 31/12/20	Depreciated Value		Current Year Depreciation	Depreciated Value 31/12/19
	1/01/20	Additions	Disposals		1/01/20	Additions		
Head Quarters								
Furniture, Fittings & Equipment	2,423	-	-	2,423	6	-	-	6
Computer Hardware	3,103	-	-	3,103	1,078	-	596	482
Computer Software	6,963	-	-	6,963	2,903	-	2,319	584
Leasehold Improvements	1,212	-	-	1,212	1	-	-	1
	<u>13,701</u>	<u>-</u>	<u>-</u>	<u>13,701</u>	<u>3,988</u>	<u>-</u>	<u>2,915</u>	<u>1,073</u>
AREC Radios and Equipment								
Radio Equipment	413,404	-	26,799	386,605	76,971	-	39,350	37,621
Computer Equipment	3,626	7,955	-	11,581	3	7,955	663	7,295
	<u>417,030</u>	<u>7,955</u>	<u>26,799</u>	<u>398,186</u>	<u>76,974</u>	<u>7,955</u>	<u>40,013</u>	<u>44,916</u>
Total Association Assets	<u>\$ 430,731</u>	<u>\$ 7,955</u>	<u>\$ 26,799</u>	<u>\$ 411,887</u>	<u>\$ 80,962</u>	<u>\$ 7,955</u>	<u>\$ 42,928</u>	<u>\$ 45,989</u>

6 Lease Commitment - Office Premises

NZART has entered into a lease over premises in Geange Street, Upper Hutt for 3 years.

The total remaining commitment is \$31,000

7 Related Party Transactions.

NZART Head Office undertakes administrative tasks on behalf of NZART - Amateur Radio Emergency Communications (AREC).

AREC receives government funding from NZART AREC Emergency Funds Charitable Trust for its activities including administration.

NZART Head Office is duly reimbursed at agreed rates

NEW ZEALAND ASSOCIATION OF RADIO TRANSMITTERS Inc

Statement of Cash Flows for the Year Ended 31 December 2020

	<u>2020</u>	<u>2019</u>
Cash Flows from operating activities		
Subscriptions Received	96,553	120,910
GST Collected on Subscriptions and other Income	44,757	20,691
Cost Recoveries	6,549	4,895
Receipts from providing Goods or Services	10,399	10,585
Interest and Investment Income	6,537	9,843
GST Refunded ex IRD	10,570	4,013
Donations	22,846	7,158
Other Income	7,030	-
AREC - Cost Recoveries	19,942	-
Total Cash flow form operating activities	<u>225,183</u>	<u>178,094</u>
Cash Flows from Grants		
AREC Trust	239,343	26,000
Total Cash Inwards	<u>464,526</u>	<u>204,094</u>
Cash was applied to		
BreakIn and Callbook	51,184	55,683
Office running costs including employees	91,439	57,394
GST paid to the IRD	65,656	25,991
Other Operating Costs	34,350	27,683
AREC Operating Costs	217,368	22,687
	<u>459,997</u>	<u>189,438</u>
Cash was invested in		
AREC Equipment purchased	9,692	-
HQ Assets Purchased	-	-
Total Cash Outwards	<u>469,689</u>	<u>189,438</u>
Net Cashflows from Operations and Investments	<u><u>-\$ 5,163</u></u>	<u><u>\$ 14,656</u></u>
This is represented by:		
Opening Bank & Deposit Accounts as at 1 January 2020	462,826	448,170
Add Net Increase in Cash	(5,163)	14,656
Bank & Deposit Accounts as at 31 December 2020	<u><u>\$ 457,663</u></u>	<u><u>\$ 462,826</u></u>

The attached notes form part of, and are to be read in conjunction with, these financial statements.

Reviewers Report

To the Readers of the New Zealand Association of Radio Transmitters Incorporated.

We have reviewed the attached financial reports, which comprises the statement of financial performance and statement of cash flows for the year ended 31 December 2020, the statement of financial position as at 31 December 2020, and the statement of accounting policies and other explanatory information.

The Committee's Responsibilities

The Committee are responsible on behalf of the entity for:

- (a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- (b) the preparation and fair presentation of the performance report which comprises:
 - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board, and
- (c) for such internal control as Committee determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

Reviewer's Responsibilities

Our responsibility is to express a conclusion on the performance report. We conducted our review of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and

notes to the performance report. We are also required to conclude whether anything has come to our attention that causes us to believe that the performance report, taken as a whole, is not prepared in all material respects in accordance with the Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit).

A review is limited primarily to enquiries of the organization's personnel and analytical review procedures applied to financial data and thus provides less assurance than an audit. We have, however, conducted considerable substantive testing but have not performed an audit and accordingly we do not express an audit opinion. In forming my opinion, we also evaluated the overall adequacy of the presentation of the information in the financial report.

Other than in our capacity as the reviewer we have no relationship with or interest in the New Zealand Association of Radio Transmitters (Inc.).

We will be separately reviewing and issuing a review report to go with the accounts prepared and filed with the Charities Commission.

Reviewer's Opinion

Based on our review, nothing has come to my attention that causes us to believe that the accompanying financial statements do not fairly represent the financial position of the New Zealand Association of Radio Transmitters Incorporated as at 31 December 2020, and its financial performance and cashflows for the year then ended.

Our review was completed on 23 April 2021.

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*Cross Financial Services Ltd
April 2021*