

SCANZ Treasurers Address - 2018/2019 AGM for 2018 Financial Year.

Hi Everyone!

I'm writing this report 9 months after the Financial year ended, having just seen out the last of 2018 as a year. Looking back at the 2018 Financial Year (April 2017 through March 2018) the following happened for the club as a whole:

1) We used a bunch of our cash reserves buying big projects.

2) I realised we need to track our Fixed Assets with more detail. This has done a bit of a change to our profit and loss for the year.

Because New Zealand has a really low fixed assets threshold, we're required to depreciate any purchase over \$500. Fortunately a lot of our gear counts as sports equipment, and depreciates pretty fast. Unfortunately it meant I had to play with our Balance sheet a little to get our Equity to what it should be.

Plus side: We're in a healthy position, with Cash Assets of ~\$78,000 Nationally and Fixed Assets of ~\$13,000.

Down side: We owe some tax this year, a significant number, running to: \$1,449 spread across all branches.

Regional Taxable Income contributions were (These figures are reduced by the extent of the loss written down for Ildhafn/Cluain having spent down their cash reserves):

Adjusted profit from branches for 2018 FY:

SCANZ Accounts:	\$1,051.70
Kingdom Accounts:	\$543.20
Southron Gaard:	\$3,200.58
Darton:	\$379.52

Requested contribution from each group for 2018 FY:

SCANZ	\$294.48
KINGDOM	\$152.10
SOUTHTRON GAARD	\$896.16
DARTON	\$106.26

Ildhafn and Cluain both made a LOSS and therefore Owe no tax.

In general, even these losses are perfectly within fluctuation, Cluain was holding cash at the start of the 2018 Financial year for Midwinter Coronation, which meant their cash holdings were higher than usual. Ildhafn did a large A&S project at Edward Braithwaite's in the form of producing a Bread Oven for use during living history events. You can see this when we compare the holdings of the SCA Branches. Note, Interbranch Liability here shows internal debts in the SCA, mostly unpaid membership dues and Container Contributions, as well as previous year Tax contributions.

With this in mind, Barony holdings at the end of the financial year were:

1. SCANZ National Total \$26,283.97

2. Kingdom Lochac

1. Assets	\$14,304.46	2. Liability	-\$4.56.	Total	\$14,299.90
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3. Southron Gaard

1. Assets	\$33,947.32	2. Liability	-\$261.72	Total	\$33,685.60
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4. Ildhafn

1. Assets	\$9,293.12	2. Liability	-\$1,282.13	Total	\$8,010.99
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--Most of this liability reflects the CONTAINER purchase from SCANZ.

5. Cluain

1. Assets	\$4,707.33	2. Liability	-\$416.70	Total	\$4,290.63
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--This liability reflects the CONTAINER purchase from SCANZ.

6. Darton

1. Assets	\$4,715.66	Total	\$4,715.66
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Overall, I'm happy with the Position of the Society, but I highlight the following for consideration by any local councils.

FOR LOCAL GROUPS: Fund management - Term deposits/savings.

Currently outside of the SCANZ governing body, very none of the group funds are held in interest bearing accounts.

I would just like to flag to groups that they should review on a once-per-term (Every couple of years) basis their Cash Holdings, and whether they should be moving some of their funds into interest bearing accounts.

The main thought is, if you have a few thousand dollars that is never spent, it would be better to put it into an account that gives you interest, and pull it back out if required, rather than holding everything in operational accounts.

Note, I am happy to accept "It's not worth the hassle for a negligible amount of interest" as an argument at a Barony level, I know all of us are here for fun, not profit, and that managing bank accounts is tricky in our regulatory environment.

POLICY CONSIDERATIONS FOR SCANZ:

1) Swapping Financial Reporting from Spreadsheets (current) to a centralized Xero account.

Currently SCA Ltd (the Australian SCA) uses Xero to run their accounts. This would cost us around ~\$600 per year to do in New Zealand.

I feel like, having spent a torturous 40-50 hours figuring out the spreadsheets, that we would be better off moving to Xero, as it would give us:

1.A) A central account view that all Reeves can see of how SCANZ is doing

1.B) A view of how the other branches are doing. (This is implicit in using Xero, because we'd use a single account to run the whole "company" of SCANZ Inc)

1.C) The ability to easily ask for help/the ability for Exchequer/Treasurer to look into accounts and offer help easily.

1.D) Reporting.

1.E) GST Reporting will have a good structure if Southron Gaard needs to progress off their current system.

2) Kingdom levy Changes -

Just a note, we will expect to see some changes to the Kingdom levy amounts, and consequently the amounts going to the SCANZ Kingdom accounts (Branch 2 above) based on the changes passed by the Kingdom Exchequer in consultation with the SCA NZ Committee and the SCA Ltd Board of Directors. If you need assistance, the Exchequer is your best first port of call, but I'm happy to assist.

3) Becoming a full non-profit -

From initial discussions with the community accountant who consults on our books, it appears we should be able to become a fully registered not for profit, and get a full income tax exemption. This is likely to involve an amount of leg work (mostly on my part), and would bring us in line with both SCA Ltd and SCA Inc as a charitable organisation. (I understand the most stringent requirements would relate to wind up provisions.)

Thank you for your consideration in reading this report, and the attached documentation.

Yours in Service,

Will Howard

Corporate Treasurer