

VALA Treasurer's Report 2020-21

I am pleased to present the Treasurer's Report for the Financial Year ended 31 March 2021. Due to the delivery of Tech Camp in April of this year, and of VALA2020 in March of the previous, this reporting period does not incorporate any activity related to those major events.

Financial Performance

As is normal in a non-conference year, the Balance Sheet for this financial year has recorded an operating deficit (of -\$20,189). Throughout this non-conference year, VALA has worked hard to manage expenditure and it is pleasing to see that in the current period we have reduced that operating deficit when compared to previous non-conference reporting periods:

Overall Statement of Profit/Loss

2021 = \$(20,189)
2020 = \$85,054
2019 = \$(92,811)
2018 = \$108,727
2017 = \$(69,625)
2016 = \$42,593

The improvement in the operating deficit is largely accounted for in the following areas:

- General Administration Expenses – down by \$16,606
- Net unrealised gain(loss) on financial assets – up by \$67,099

It must be noted that a net loss on VALA Tech Camp 2021 in the order of \$20,000 will impact on the financial reports in the next accounting period.

Assets

2021 = \$462,932
2020 = \$483,121
2019 = \$398,067
2018 = \$490,878
2017 = \$382,151
2016 = \$451,776

Membership

Income from memberships is comparable to 2019/20, such a pleasing result in a year that has been generally challenging for member retention in not for profit organisations:

\$ value of membership in FY2020/21 = \$45,287
\$ value of membership in FY2019/20 = \$46,114

Investments

At 31 March 2021 VALA had retained cash holdings of \$248,054 (compared with \$192,284 at 31 March 2020). This is more than sufficient to support VALA's normal activities for over 12 months.

VALA's investment portfolio was valued at \$233,787 at 31 March 2021 compared with \$290,275 at 31 March 2020. This variance was due to the sale of some investments at the beginning of the financial year, in accordance with advice from our financial advisors at Morrows. At that time, the effect of Covid-19 on the global Stock Market was uncertain but there was concern that it would be dire and prolonged. The decision to hold a higher proportion of VALA's assets in cash was a risk management decision to protect against a downturn in the Stock Market.

Subsequently, VALA took the decision to retain that money in cash pending a review of the performance and the appropriateness of the investment portfolio. Substantial work by the newly-established Finance Sub-Committee across the year, supported by our financial advisors at Morrows who have supplied valuable input and industry advice, has seen the development of a new Investment Strategy, with a stronger alignment with ethical investments, which will be implemented shortly with much of that cash to be reinvested.

COVID-19

In contrast to the experience of many associations and businesses through the reporting period, VALA fared well. Supported by the investment portfolio and cash reserves built up under previous VALA Committees, and by the resoundingly positive performance of this year's investments and asset trading, the Association ended the year in a better than projected financial position.

The continuing impacts of the global pandemic will continue to impact on our traditional income generators, particularly our biennial conference, and we need to be conservative about our expectations of VALA2022's financial performance. We need to continue to seek other income streams, diversity as much as possible, remain nimble and responsive to changing circumstances and minimise our reliance on any single event or income stream.

Accountability

McLean Delmo Bentleys have completed their fourth audit for us for the year ended 31 March 2021 which was uneventful and efficient. I would like to thank both the audit team and the Secretariat team, particularly Fiona Luhrs, for their work.

Whilst accountability in the form of professional audits is important, the VALA Committee is ultimately accountable to the Association's members. In the coming year members should expect to hear more about progress against the Finance Strategy, and opportunities to contribute to future iterations of this important aspect of VALA's planning.

Summary

- Audit for the year ended 31 March 2021 was successfully completed by McLean Delmo Bentleys.
- Regular financial advice regarding VALA investments was provided by Morrows Private Wealth Pty Ltd.
- A **deficit of \$(20,189)** was returned in 2020/21.
- VALA has recorded significant members' **equity of \$462,932** at 31 March 2021 and remains in a sound financial position despite COVID-19.
- A new VALA Finance Sub-Committee was formed to lead reforms to the Association's finances, reduce reliance on surpluses from the biennial conference and align VALA's investment portfolio with its values.

Hugh Rundle
VALA Treasurer
30 June 2021