**Finance Committee’s report for the year ended 30 September 2022**

The Treasurer and Finance Committee have had a very difficult year.

One of the Finance Committee members, Peter Williams, died in the year. In addition Treasurer Jane Drexler's husband of 47 years, Harro, also died during the year on 30th September 2021. Jane continued on in the difficult job of Treasurer, month after month, with increasingly severe health problems. There were other issues at work compounding her ill health which caused Jane to suddenly resign on 19th September 2022.

Whilst Jane has agreed to finalise the Audited Accounts, the Finance Committee has had to take over looking after the accounting, reporting and other jobs during the interim period before a new Treasurer can be found. In addition to the many end-of-year and beginning-of-year issues, it has been difficult to make the necessary changes to bank account signatures and other authorities as well as ensuring that AYM’s finances remain secure.

At the date of this report the Committee has been exchanging emails throughout each week and meeting on Zoom once a week, for several hours, since Jane’s resignation. This contrasts with the previous two or three meetings a year supplemented by email exchanges. We are confident that we will be able to cope but there will be disruption to some of the less urgent aspects of AYM’s business.

At the beginning of November we asked AYM Committees and the AYM Secretary to limit payments being made or proposed in order to protect AYM’s cash flow whilst we try to take control. At our request, a special Standing Committee meeting was held in late November which the whole Finance Committee attended. At that meeting Standing Committee confirmed that our Committee can act as “AYM Treasurer” during the interim period, authorised us to make decisions which we discern as necessary and acknowledged that there will be disruption to some of AYM’s financial arrangements in the near future.

At our suggestion, we have also had a joint meeting with the AYM Nominations Committee, having supplied them with extensive background information about the AYM Treasurer’s job. The meeting was very helpful in providing them with information and ideas in their search for a new Treasurer, which we are hoping will be swiftly successful.

Hence, this report is being prepared by the Finance Committee, rather than the AYM Treasurer as would normally be the case. It is also being prepared in early December 2022 in the midst of implementing the interim arrangements while there is no AYM Treasurer. Some aspects are therefore still being organised, and hopefully many changes will have been completed by the time of the AGM in January.

The tables below show the draft of the Accounts for the year just ended. We expect the Audited Accounts will be available prior to the AGM and we can send a copy to anyone who is interested.

The principle financial issues during the year were as follows:

1. **Investment arrangements:** For many years our investment arrangements were administered by Terry Pinnell of Ethical Investment Advisers P/L. However, he retired during the year and our business was transferred to Karen McLeod in the same company. Investment adviser regulations have changed over the years and so we had to enter into a new contract, which includes advice on our investments. The opportunity was also taken to consolidate some of the management aspects of our holdings.
2. **Assets and investment Income:** There was a substantial decline in the share market towards the end of the Financial Year. We were not immune to this change and so the market value of our investments is now below book values. This is not a problem if investment values climb again later unless we need to sell investments, which is unlikely in the near future.

This has also meant that we were unable to continue the practice of distributing capital gains as part of the income of our various Funds. Nevertheless, average earnings over each 5-year period since 2011 have been consistently between 5 and 6% p.a.

1. **General Fund:** The General Fund had a deficit of outgo over income of $2,051 in the last financial year which was less than the budget. A $5,000 agreed payment to Regional Meetings from the last Federal Government Covid grant that AYM received contributed to this outcome. This was offset by expenditure being less than expected, although part of that was the non-payment of donations to Woodbrooke and Pendle Hill that will need to be brought up to date in the current year.
2. **Other Funds:** The Yearly Meeting in July was via Zoom and a registration fee was requested. The result was a profit and it has been possible to reduce the amount of the Annual Meeting Fund in the coming year to help our General Fund finances. The potential changes in the arrangements for the AYM Office made determining the budget for the coming year difficult and so we are unclear what the actual outcome will be.

The Sanctuary Management Fund has now recovered to over $84,000.

Our other Funds are also in a healthy position.

1. **Accounting:** For many years we have used an old MYOB program for our bookkeeping and accounting arrangements. It was free and worked well. However, with more modern alternatives available, arrangements are in progress to transfer to Xero online software from 1 October 2022. Also, a decision was confirmed to employ a bookkeeping company to handle our finances and a contract has been signed with Tinka Consulting P/L, who were recommended by our Auditors. Both these decisions are being carried out by the Committee at the date of this report.
2. **Membership of the Finance Committee:** Carol Thornton (C&RM) agreed to fill the vacancy resulting from the death of Peter Williams. Roger Sawkins, previously a member of the Committee as immediate past AYM Treasurer, was appointed as a permanent member. So the Committee now consists of Steve Smith TRM (Convenor), Ray Brindle VRM, Roger Sawkins QRM, Carol Thornton C&RM and Robin Walpole TRM.

**Part B: for consideration:**

1. Acceptance of this Finance Committee report and the Annual Accounts, the audited version of which should be available at the AGM.
2. Reappointment of A.H. Jackson & Co. as our Auditors for the 2022/2023 financial year.

AYM Finance Committee, December 2022

Steve Smith, Ray Brindle, Roger Sawkins, Carol Thornton and Robin Walpole.

**These summarised Accounts are prior to audit**

**Draft Balance Sheet at 30 September 2022**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **30 Sept. 2020** | **30 Sept. 2021** |  |  | **30 Sept. 2022** |
| **$.cc** | **$.cc** |  |  |  |
|  |  |  | **Assets** |  |
| 257,677.34 | 288,124.68 |  | Current assets | 276,417.03 |
| 58,000.00 | 58,000.00 |  | Other fixed interest | 58,000.00 |
| 733,428.04 | 1,672,741.67 |  | Shares & Trusts | 1,501,657.09 |
| 1,400,000.00 | 2,000,000.00 |  | Property | 2,000,000.00 |
| **2,449,105.38** | **4,018,866.35** |  | **Total Assets** | **3,836,074.12** |
|  |  |  |  |  |
|  |  |  | **Liabilities** |  |
| 8,250.80 | 6,745.00 |  | Due to other Quaker organisations | 5,830.00 |
| 0.03 | 0.65 |  | GST and other liabilities | 0.00 |
| **8,250.83** | **6,745.65** |  | **Total Liabilities** | **5,830.00** |
|  |  |  |  |  |
| **2,440,854.55** | **4,012,120.70** |  | **Net Assets** | **3,830,244.12** |
|  |  |  |  |  |
|  |  |  | **Administration Funds** |  |
| 80,808.45 | 71,374.83 |  | General Fund | 69,323.70 |
| 11,976.71 | 12,694.13 |  | Annual Meeting Fund | 18,936.18 |
| 9,071.44 | 15,692.44 |  | Travel Fund | 16,157.44 |
| 344,469.69 | 285,856.69 |  | Reserve Fund | 294,331.69 |
| 81,999.09 | 147,093.86 |  | Movement in investment values | -69,026.11 |
| **528,325.38** | **532,711.95** |  |  | **329,722.90** |
|  |  |  | **Other Funds** |  |
| 173,063.40 | 163,584.30 |  | Peace & Social Justice Fund | 163,122.03 |
| 19,314.46 | 20,111.46 |  | Earthcare Fund | 16,809.99 |
| 12,734.83 | 9,364.12 |  | First Nations Concerns Fund | 11,136.12 |
| 81,757.47 | 1,032,430.37 |  | Thanksgiving - Current | 1,030,672.37 |
| 92,011.00 | 92,011.00 |  | Thanksgiving - Capital | 92,011.00 |
| 37,517.37 | 41,984.37 |  | Quaker Learning Australia | 52,729.37 |
| 4,910.08 | 6,181.41 |  | Publications Fund | 11,438.77 |
| 5,321.28 | 7,981.27 |  | Friends in Stitches Fund | 8,167.53 |
| 20,417.16 | 24,550.25 |  | Children & JYF Fund | 29,981.50 |
| 1,125.00 | 1,125.00 |  | Carbon Offsets Fund | 0.00 |
| 1,400,000.00 | 2,000,000.00 |  | Sanctuary at valuation | 2,000,000.00 |
| 64,357.12 | 80,085.20 |  | Sanctuary Management | 84,452.54 |
| **1,912,529.17** | **3,479,408.75** |  |  | **3,500,521.22** |
|  |  |  |  |  |
| **2,440,854.55** | **4,012,120.70** |  | **Total Equity** | **3,830,244.12** |

**Draft** **Income and Outgo of all Funds for the year ended 30 September 2022**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Amount at** |  |  | **Amount** |
|  | **beginning** | **Income** | **Outgo** | **at end** |
|  | **$.cc** | **$.cc** | **$.cc** | **$.cc** |
| **Administration Funds** |  |  |  |  |
| General Fund | 71,374.83 | 153,279.16 | -155,330.29 | 69,323.70 |
| Annual Meeting Fund | 12,694.13 | 10,526.85 | -4,284.80 | 18,936.18 |
| Travel Fund | 15,692.44 | 465.00 | 0.00 | 16,157.44 |
| Reserve Fund | 285,856.69 | 8,475.00 | 0.00 | 294,331.69 |
| Movement in investmt values | 147,093.86 | 0.00 | -216,119.97 | -69,026.11 |
|  | **532,711.95** | **172,746.01** | **-375,735.06** | **329,722.90** |
|  |  |  |  |  |
| **Other Funds** |  |  |  |  |
| Peace & Social Justice Fund | 163,584.30 | 7,166.00 | -7,628.27 | 163,122.03 |
| Earthcare Fund | 20,111.46 | 836.00 | -4,137.47 | 16,809.99 |
| First Nations Concerns Fund | 9,364.12 | 5,422.00 | -3,650.00 | 11,136.12 |
| Thanksgiving Fund - Current | 1,032,430.37 | 74,697.00 | -76,455.00 | 1,030,672.37 |
| Thanksgiving Fund - Capital | 92,011.00 | 0.00 | 0.00 | 92,011.00 |
| Quaker Learning Aust. Fund | 41,984.37 | 12,095.00 | -1,350.00 | 52,729.37 |
| Publications Fund | 6,181.41 | 25,414.79 | -20,157.43 | 11,438.77 |
| Friends in Stitches Fund | 7,981.27 | 2,065.50 | -1,879.24 | 8,167.53 |
| Children & JYF Fund | 24,550.25 | 18,087.95 | -12,656.70 | 29,981.50 |
| Carbon Offsets Fund | 1,125.00 | 0.00 | -1,125.00 | 0.00 |
| The Sanctuary | 2,000,000.00 | 0.00 | 0.00 | 2,000,000.00 |
| Sanctuary Management | 80,085.20 | 32,065.46 | -27,698.12 | 84,452.54 |
|  | **3,479,408.75** | **177,849.70** | **-156,737.23** | **3,500,521.22** |
|  |  |  |  |  |
| **Total Funds** | **4,012,120.70** | **350,595.71** | **-532,472.29** | **3,830,244.12** |
|  |  |  |  |  |
| **Held on behalf of other Quaker orgs.** | |  |  |  |
| FWCC Asia/West Pacific | 2,200.00 | 1,410.00 | -2,200.00 | 1,410.00 |
| FWCC World | 1,235.00 | 730.00 | -1,235.00 | 730.00 |
| FWCC QUNO | 1,930.00 | 2,765.00 | -2,025.00 | 2,670.00 |
| Woodbrooke | 140.00 | 20.00 | 0.00 | 160.00 |
| Pendle Hill | 20.00 | 10.00 | 0.00 | 30.00 |
| Australian Young Friends | 340.00 | 490.00 | 0.00 | 830.00 |
| Friends Peace Teams | 880.00 | 0.00 | -880.00 | 0.00 |
|  |  |  |  |  |
|  | **6,745.00** | **5,425.00** | **-6,340.00** | **5,830.00** |

**Draft** **General Fund Account for the year ended 30 September 2022**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Actual** | **Actual** |  |  |  | ***Budget*** |
| **2019/20** | **2020/2021** |  | ***Budget*** | **Actual** | ***2022/2023*** |
| **$.cc** | **$.cc** |  | ***$.cc*** | **$.cc** | ***$.cc*** |
|  |  | **Income** |  |  |  |
| 177,600.00 | 153,700.00 | Regional Meeting Quotas | *156,000* | 156,000.00 | *150,800* |
| 2,665.62 | 5,529.39 | Investment Income | *3,000* | 2,116.48 | *3,000* |
| 15,000.00 | -9,899.65 | Other | *-5,000* | -4,837.32 | *0* |
| **195,265.62** | **149,329.74** | **Total General Fund Income** | ***154,000*** | **153,279.16** | ***153,800*** |
|  |  |  |  |  |  |
|  |  | **Outgo** |  |  |  |
|  |  | **Salaries and fees** |  |  |  |
| 56,129.00 | 59,399.72 | Secretary's Salary | *57,850* | 58,511.36 | *62,995* |
| 5,332.24 | 5,720.45 | Superannuation | *5,800* | 5,932.78 | *6,614* |
| 728.13 | 711.65 | Workers Compensation | *800* | 802.52 | *850* |
| 0.00 | 4,790.00 | YM Office | *7,750* | 6,960.00 | *20,000* |
| 4,900.00 | 6,300.00 | Auditors fees | *6,500* | 6,000.00 | *10,000* |
| **67,089.37** | **76,921.82** |  | ***78,700*** | **78,206.66** | ***100,459*** |
|  |  | **Office Expenses** |  |  |  |
| 1,242.16 | 1,292.43 | Office Supplies/Materials | *7,500* | 1,692.35 | *8,650* |
| 3,614.62 | 3,403.85 | Printing and photocopying |  | 3,038.33 |  |
| 94.67 | 314.02 | Postage |  | 580.26 |  |
| 1,821.80 | 1,641.80 | Telephone |  | 1,438.81 |  |
| 195.15 | 50.00 | Computer |  | 220.00 |  |
| 0.00 | 0.00 | Internet |  | 0.00 |  |
| 7,800.00 | 7,800.00 | Rent | *7,800* | 7,800.00 | *7,800* |
| **14,768.40** | **14,502.10** |  | ***15,300*** | **14,769.75** | ***16,450*** |
|  |  | **Travel** |  |  |  |
| 6,600.00 | -100.00 | Yearly Meeting Travel | *0* | 0.00 | *0* |
| 0.00 | 0.00 | Young Friends allocation | *0* | 0.00 | *0* |
| 18,000.00 | 6,000.00 | Travel Fund | *0* | 0.00 | *0* |
| **24,600.00** | **5,900.00** |  | ***0*** | **0.00** | ***0*** |
|  |  | **Other expenses** |  |  |  |
| 12,000.00 | 18,000.00 | Publications Fund subsidy | *23,000* | 23,000.00 | *17,000* |
| 7,000.00 | 3,000.00 | Yearly Meeting subsidy | *2,500* | 2,500.00 | *-10,000* |
| 13,717.44 | 7,581.19 | P/L Insurance | *8,000* | 8,751.36 | *13,000* |
| 0.00 | 0.00 | Officer expenses | *0* | 0.00 | *200* |
| 541.40 | 855.25 | Subscriptions | *500* | 717.52 | *500* |
| 1,843.00 | 1,843.00 | National Council of Churches | *1,900* | 1,843.00 | *1,900* |
| 20,555.00 | 15,000.00 | Committee expenses | *1,000* | 12,200.00 | *500* |
|  |  | Children & JYF subsidy | *12,000* | 0.00 | *0* |
| 45.00 | 40.00 | Bank & other charges | *50* | 92.00 | *0* |
| **55,701.84** | **46,319.44** |  | ***48,950*** | **49,103.88** | ***23,100*** |
|  |  | **Donations** |  |  |  |
| 1,700.00 | 1,900.00 | Silver Wattle | *1,900* | 1,900.00 | *1,900* |
| 2,000.00 | 2,250.00 | FWCC World | *2,250* | 2,250.00 | *2,250* |
| 4,000.00 | 4,500.00 | FWCC A/W Pacific | *4,500* | 4,500.00 | *4,500* |
| 3,000.00 | 3,500.00 | QUNO | *3,500* | 3,500.00 | *3,500* |
| 850.00 | 935.00 | Woodbrooke | *935* | 0.00 | *935* |
| 850.00 | 935.00 | Pendle Hill | *935* | 0.00 | *935* |
| 1,000.00 | 1,100.00 | Friends Peace Teams | *1,100* | 1,100.00 | *1,100* |
| **13,400.00** | **15,120.00** |  | ***15,120*** | **13,250.00** | ***15,120*** |
|  |  |  |  |  |  |
| **175,559.61** | **158,763.36** | **Total General Fund outgo** | ***158,070*** | **155,330.29** | ***155,129*** |
|  |  |  |  |  |  |
| **19,706.01** | **-9,433.62** | **Excess of Income over Outgo** | ***-4,070*** | **-2,051.13** | ***-1,329*** |
|  |  |  |  |  |  |
| **60,902.44** | **80,808.45** | **Balance at beginning of year** | ***71,375*** | **71,374.83** | ***69,324*** |
|  |  |  |  |  |  |
| **80,808.45** | **71,374.83** | **Balance at end of year** | ***67,305*** | **69,323.70** | ***67,995*** |
|  |  |  |  |  |  |

"Other income" is principally the Federal Government Covid 19 assistance which was transferred to RMs in 2021/22

**Draft Assets at 30 September 2022**

|  |  |  |
| --- | --- | --- |
|  |  | $.cc |
| Bank accounts | (1) | 125,712.59 |
| Term deposits | (2) | 150,704.44 |
| Loan to Friends School |  | 58,000.00 |
| Aust. Ethical Investments Trusts | (3) | 628,627.20 |
| Praemium investment portfolio | (4) | 559,216.32 |
| Preference Shares | (5) | 313,813.57 |
| The Sanctuary @ Valuation in 2021 |  | 2,000,000.00 |
| **Total Assets** |  | **$3,836,074.12** |
|  |  |  |
| **Liabilities** |  |  |
| Due to other Quaker organisations |  | $5,830.00 |
| Amounts due to/from others |  | $0.00 |
| **Total Liabilities** |  | **$5,830.00** |
|  |  |  |
| **Net Assets** |  | **$3,830,244.12** |

Notes:

(1) The bank accounts earn interest on the balances

(2) All term deposits mature within 12 months.

(3) Australian Ethical Investments are in their Managed Funds

(4) Praemium is a portfolio of ordinary shares in ethical companies.

(5) A portfolio of preference shares in ethical companies.

(3) to (5) are at market value at 30 September 2021.