

Treasurer's Report for New Zealand Society Annual General Meeting on 5 May 2009

1. Financial status at end of March 2009 (April 2009)

As at 31 March 2009 (30 April 2009), the Society held the following balances:

HSBC bank account: HK\$93,920

HSBC shares: HK\$104,489.90

This is still a healthy position for the Society despite the fall in the value of HSBC shares over the 2008 and 2009 years to date. With regard to the shares, the recent rights issue was not subscribed to and the Society received a payment of HK\$19,971.96 from the sale of the rights.

Donations have been made to the following organizations so far in 2009:

Victorian Bushfires Appeal	HK\$10,000
HOPE for Children	HK\$40,000.00
Home of Loving Faithfulness	HK\$5,000

The main activities of the Society so far in 2009 are:

Waitangi Day
Wine and Cheese
Great Race
Rugby Party
ANZAC Ball

Each activity except the Rugby Party and ANZAC Ball has proved successful and generated a surplus for the Society when taking account of the raffles and auctions. Some losses have been incurred due to poor attendance at some events and losses from the ANZAC Ball will have to be carried forward to future events in the form of wine purchased from the hotel (to fulfill our minimum spend commitments) and a commitment to host a similarly priced event at the hotel in 2009. The committee expects that we will recover the cost of the wine at future events , and share the

event commitment with another organization to lessen our risk of losses.

It is considered that the funds of the Society are sufficient such that membership fees can be maintained at the previous years' levels, especially since the Committee would also take account of the current economic environment and how this may affect some members. Despite not increasing the fees, income from membership fees has been increasing due to the increasing membership numbers. All the same, the Society needs to monitor its income as some sources of income in 2008 such as dividends from the HSBC shares and interest from the bank account will be lower in 2009 than in 2008.

2. Draft audited accounts for 2006 – 2008

The audited accounts for 2004 to 2005 had now been properly signed off.

The accounts for 2006 to 2008 have all been prepared and reviewed and agreed to be in order, while the draft audited accounts for each of the years 2006, 2007 and 2008 have been prepared by Chan Mei Ling CPA and are awaiting approval by the Committee and signing by the President and Treasurer before the auditor can sign them off.

Therefore we are looking for approval of these draft audited financial statements by the Committee and by the members of the Society. The draft financial statements for the year ending 2008 have been distributed by e-mail and copies are available tonight for anyone who would like to see them. Soft-copies of the accounts for the years ending 31st 2006 and 2007 are also available upon request. The main points are highlighted below

The New Zealand Society of Hong Kong

Income and Expenditure Statements

Years ended 31 December 2006 - 2008

2008	2007	2006
HK\$	HK\$	HK\$

Membership subscriptions	62,750	44,550	32,820
Net surplus/ (deficit) on activities	13,072	27,956	(60,705)
Deficit from newsletter	-	(15,000)	-(9,400)
Other income	17,213	13,915	12,138
General and administrative expenses	(47,863)	(55,147)	(17,346)
Surplus/ (deficit) for the year	<u>45,172</u>	<u>16,274</u>	<u>-(42,493)</u>
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Membership subscriptions

The increase in membership numbers, while fees remained the same through 2007 and 2008, is encouraging and is reflected in the increased income from membership fees.

Surplus/ (deficit) on activities

The Society generated a surplus on activities in 2007 and in 2008. **2006** showed a loss on activities though this was to a large extent due to the booking in 2005 of income that was related to costs that were not booked until 2006.

The **2007** accounts show a surplus on activities but this was assisted by funds raised by a very successful silent auction netting around HK\$30,000 at one event. (50th Anniversary Ball)

For **2008** most activities generated a surplus for the Society including Waitangi Day, Bowling and BBQ, Olympic BBQ, Junk trip, wine and Cheese, Tram parties and the Xmas party. Small deficits were incurred for the AGM and Kiwi dinner, Luau and the farewell banquet for the NZ Consul General. However funds of HK\$8,000 were also raised from auctions at the NZ Consul General Farewell and Xmas Party. The expenditure for 2008 KK meetings increased due to more members joining this monthly activity.

Deficit from Newsletter

Since the newsletter changed to an e-newsletter in 2006, the deficit from this has decreased and in 2008 as no e-newsletters were published there was no deficit.

Other income

Other income mainly reflects the interest from the bank account

General and administrative expenses

General and administrative expenses have remained reasonable constant although the summarized figures do not reflect this as they include donations. The donations for each year were:

2006:	Home of Loving Faithfulness	HK\$5,000
2007:	Home of Loving Faithfulness	HK\$30,000
	Oxfam (Trailwalker sponsorship)	HK\$12,900
2008	Red Cross China Earthquake Appeal	HK\$25,000

Expenses in 2008 were also higher due to an accrual for accounting fees for work carried out in the year but which was actually related to the 3 years previous.

Assets and Liabilities

The main assets of the Society at the 31 December 2008 were the bank balance of HK\$144,709 and the HSBC shares of HK\$155,360. The fall in the value of the shares held, from HK\$262,741 at 31 December 2007 reflected the general economic environment and the particular problems facing the banking sector as a whole. The fall in value is reflected in the lower level of the investment re-evaluation reserve in the balance sheet and is not reflected in the surplus for the year of the Society.

Apart from funds of HK\$20,900 received in 2008 for 2009 memberships and an accrual for accounting and other costs of HK\$10,078, the Society did not have other major liabilities as at 31 December 2008.

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