

THE ORDER OF AUSTRALIA ASSOCIATION LIMITED
TREASURER'S REPORT TO MEMBERS 2020

On behalf of the directors of The Order of Australia Association Limited I report on the outcome of the financial year ended 31st December, 2019 and formally note that Mr Tony Bandle of Bandle McAneny & Co association auditors will be present at the Annual General Meeting.

The underlying surplus for the year was \$101,353 after taking into account state branches and their regions.

The Association has a policy of reinvesting interest and dividend earnings plus at year end the share market was buoyant resulting in an increase in the value of our investments by \$146,993 thus increasing our net surplus to \$248,346.

The impact of COVID-19 resulted in a drop in share market values. On 23 April, 2020, our portfolio had a market value of \$1,137,946, an reduction of \$252,890 over our 31 December, 2019 balance.

Prepaid subscriptions for three year and life memberships are in the appropriate reserve accounts.

The life membership reserve is invested principally in listed securities with a minor amount in interest bearing at call investments. A detailed actuarial study is carried out annually on the life member reserve holdings to establish the amount to be brought in as income for that membership year. As life membership is for the term of that member's life only portion of that income can be used each year. The assessment is similar to that carried out for pensions and superannuation.

Note 21 on page 29 sets out succinctly the breakup of income and expense between National and branch accounts.

Membership fees remain unchanged at \$77 per annum, three year memberships \$200 and life members \$1,115 (GST inclusive rates)

At year end we had 8,208 members

Membership income for 2019 was:

| | |
|---------------------------------------------------|----------------|
| Annual membership fees at \$70 excl GST | 167,075 |
| Three year memberships at \$60.60 excl GST | 47,207 |
| Life member 2018 actuarial drawdown | 85,000 |
| Investment income | 75,642 |
| Membership income after GST totals | 374,924 |

Or expressed per member \$45.68

Significant expenditure on member services were:

| | |
|-------------------------------------------|----------------|
| Audit & Other Services | 15,000 |
| Bank/Merchant Fees | 5,529 |
| Bookkeeping | 27,449 |
| Branch Support Grants (BAG) | 50,551 |
| Insurance | 3,458 |
| IT and Website | 3,950 |
| Magazine and magazine Postage | 79,035 |
| Member database | 44,171 |
| Photocopying, printing, postage | 11,637 |
| Regional Support additional to BAG | 343 |
| Rent | 13,339 |
| Telephone | 1,646 |
| Member services total cost | 256,108 |

Or expressed per member \$31.20

The remaining member fee income of \$8.41 goes towards indirect member administrative costs including board AGM and other meetings.

We were fortunate that in the twelve months under review the share market performed extremely well resulting in good investment return.

During the year a Futures Day was held whereby representatives of each branch met with the Board; travel and accommodation costs were paid from the National accounts and are a significant part of the indirect member administrative costs.

My appreciation is extended to the branch treasurers who provided branch figures to myself prior to the end of January. They faced considerable challenges in obtaining regional information and bank statements during the holiday season and to a very tight consolidation time frame.

Commerce Management Services provided assistance in maintaining the Xero package for the National accounts and in assembling the overall consolidation in preparation for the audit.

Appreciation is extended to Elizabeth Grant of Commerce Management Services and her team for their service.

The Way forward...

Following an encouraging start to the year, March 2020 and beyond is proving to be possibly the most challenging time in all our lives. With cancellation of all activities including the

annual conference plus with the resulting downturn in the stock market our financial performance is expected to reduce in the short term. The full impact will not be known until COVID-19 is fully under control and we can go back to “business as usual”.

Muriel Barasso OAM

National Treasurer