

NZSSD Treasurer's Report

AGM, 08 May 2014

Owais Chaudhri

Audit

The accounts for FY 2012-2013 are still being audited. They will be presented together with the accounts of FY 2013-2014 at the 2015 AGM.

It is proposed that the Society retain the firm of Naylor, Lawrence and Associates (Palmerston North) as its auditors for the FY 2013-2014 accounts.

Income and Expenditure

The Society acts as an intermediary for distribution of funds to a number of agencies. In FY 2013-2014, the major projects for which the Society acted in this way was the award of the ASM research grants (from Lilly, Sanofi and iSENS/Pharmaco) and money from PHARMAC forwarded on to Refract for the development of the PHARMAC module of the eLearning project.

Excluding these items of income and expenditure (for which there is neither a net gain nor a net loss for the Society), the Society's **main sources of income** are subscriptions, conference surplus and bank interest.

Income from subscriptions 2010-2011: \$18,717
Income from subscriptions 2011-2012: \$19,004
Income from subscriptions 2012-2013: \$25,140
Income from subscriptions 2013-2014: \$47,273¹

Conference surplus 2010-2011: \$24,685
Conference surplus 2011-2012: \$18,139
Conference surplus 2012-2013: \$28,238²
Conference surplus 2013-2014: \$16,987³

Interest 2010-2011: \$8,389
Interest 2011-2012: \$6,786
Interest 2012-2013: \$3,755
Interest 2013-2014: \$4,835

The Society's **largest expenditures** (excluding items for which we act as intermediaries) are the Medical Director's honorarium, Secretariat costs and Grants (Personal Development Awards and Conference Travel Grants).

¹ Includes \$17,907 from subscriptions for membership year 2014-2015 paid before the end of FY 2013-2014.

² Net surplus, minus seed money for 2013-2014 conference.

³ Net surplus, minus seed money for 2014-2015 conference.

At the 2013 AGM, it was projected that there would be a shortfall of approximately \$30,000-40,000 from Phase 2 of the **HWFNZ Diabetes Nurse Prescribing Project** due to errors in budgeting.

Following the implementation of mitigation strategies, a net surplus was returned.

The Prescribing Project has now been completed and the total net surplus returned by both phases was:

Prescribing Project	Surplus
Phase 1	\$104,775
Phase 2	\$23,029

\$46,000 of this was directed towards the development of the **Primary Care eLearning Module in FY 2012-2013**. A substantial amount of the remainder was used to fund the day-to-day running costs of the Society in FY 2011-2012, 2012-2013 and 2013-2014.

An estimated \$26,000 of the Prescribing Project Surplus remains.

Current Financial Position

The Society's financial position as at 31 March 2014 was:

Account	Balance
Term Deposits	\$119,729
Main Cheque Account	\$90,989
DNS Project Account	\$49,274 ⁴
Total	\$259,992

⁴ This includes the \$23,000 iSENS/Pharmaco grant awarded in 2013, but which has yet to be claimed.

For FY 2013-2014, income was:

Credits by category	
	Total
Conference	\$39,687.27
DNS Project Phase 2	\$62,929.72
Grants	\$92,000.00
Interest ⁵	\$273.59
IRD	\$4,558.55
Project ⁶	\$56,967.55
Subscription	\$47,273.00
Grand Total	\$303,689.68

For FY 2013-2014, expenditure was:

Debits by category	
	Total
Accounting	-\$5,242.60
Banking	-\$6.50
Conference	-\$22,700.00
DNS Project Phase 2	-\$45,582.83
Grants ⁷	-\$76,324.00
Honoraria ⁸	-\$4,775.00
IRD	-\$20,467.53
Legal	-\$330.40
Project	-\$46,000.00
Salaries ⁹	-\$20,385.26
Sundry ¹⁰	-\$2,182.01
Teleconference	-\$2,425.67
Grand Total	-\$246,421.80

⁵ Excluding Term Deposit interest.

⁶ Includes payment of \$46,000 from PHARMAC for completion of the PHARMAC modules of the eLearning project. The remainder is money paid by Refract in recognition of NZSSD's role in the development of the eLearning module for PHARMAC,

⁷ Includes \$1,600 for Professional Development Awards and \$7,150 for Conference Travel Grants.

⁸ MD Honorarium July to December 2013. The honorarium for the period January to March 2014 will be included in the FY 2014-2015 accounts.

⁹ Includes MD salary April to June 2013 and secretariat salary.

¹⁰ Includes \$1,708 support for the Podiatry SIG.

The Society therefore ends the FY with a net surplus of \$57,268.

Hidden within these figures are some items that should be deducted from the total:

\$23,000 is unclaimed grant money (the iSENS/Pharmaco 2013 award has yet to be claimed by the University of Auckland).

\$17,907 is subscriptions for FY 2014-2015 that were paid early and therefore appear in the FY 2013-2014 accounts.

The Society's underlying surplus for FY 2013-2014 is therefore \$16,361.

Projections and budget for FY 2014-2015

Conservative projections for income in the next financial year for our main revenue streams are:

Source	Amount
Subscriptions	\$19,000
Conference surplus	\$19,000
Interest	\$4,500
Total	\$42,500

Estimates for expenditure are:

Destination	Amount
MD Honorarium	\$10,000
Secretariat costs	\$20,000
Professional Development Awards	\$4,000
Conference Travel Grants	\$6,000
Podiatry SIG support	\$3,000
Sundry	\$3,000
Total	\$46,000

The Society is therefore in better financial health that it has been in recent years, although there is still some room for fine tuning.

Future plans

As the recent increase in subscriptions feeds through into our income, my intention is to prioritise channelling of the additional funds in the first instance

towards increasing the Professional Development Award budget. It is hoped that it will be possible to increase the budget for the PDAs for FY 2015-2016 to \$6,000.

In addition, my aim is to offer support for development of the Dietitian Knowledge and Skills Framework. The sum of money to be committed will depend on the availability of support form elsewhere, but will likely necessitate dipping into the Society's reserves (the Term Deposits). This will be a one-off expenditure.

I also intend to draft a MOU to re-establish the link between the Society and DNZ. This will be underpinned by a financial contribution to DNZ. The value of this contribution has yet to be determined and will be an ongoing commitment.

Lastly, my aim is to ringfence as much of the remaining surplus from the HWFNZ Nurse Prescribing Project for use in future projects. The money that can be salvaged for this purpose will probably be earmarked for eLearning project development.

In the medium term, it is hoped to be able to reinstate the Summer Studentship.

Donations

The Society has also now been registered to receive donations in a way that means that individual donors can apply for a tax credit for their donation.

Members are invited to consider making a donation to help with the work of the Society. In the short term, any donations received will be set aside until a more substantial amount has been amassed. The interest from this will then be used to fund projects, while maintaining the principal.

Members are also invited to consider leaving the Society a sum in their will. The Society should be referenced in a will as **The New Zealand Society for the Study of Diabetes Incorporated.**

Subscriptions

Subscriptions have increased from FY 2014-2015. Current annual rates are:

Category	Amount
Member residing in the Pacific Islands	NIL
Non-doctor members	\$80
Doctors	\$150
Corporate	\$300
Primary care based member (first year only)	NIL

It is likely that subscriptions will have to increase again in the future. However, the increases proposed in last year's report have been put on hold for the moment in order to allow for evaluation of the effect of the recent increase in subscription rates and allow for appropriate calibration of any future increase.

Other ideas for increasing revenue (e.g. selling advertising space on the website) have yet to be worked through, but ideas are welcomed.

Thanks

Thanks are due to the Executive, who have all provided much useful input when asked for thoughts on how to improve the Society's financial situation. Thanks must also go to Jan Brosnahan (the Society's Secretariat) for her timely and efficient help with documents and information, which has made my task substantially easier.

Proposals put forward for a vote

1. That expenditure for FY 2014-2015 be structured as above.
2. That Naylor Lawrence and Associates (Palmerston North) be retained as the auditors of the Society's accounts for FY 2013-2014.

Recommendations

That this report be received.