



Environment Institute
of Australia and
New Zealand Inc.

Treasurer Summary – New Zealand Chapter - financial year ended 30 June 2021 – Kevin Tearney, Acting Treasurer

I have attached two summary reports for the year ending June 30 2021, showing the financial transactions (Profit and Loss (P&L)) and the Balance Sheet for the new Zealand Chapter. These financial statements have been prepared by our accountant Terry Abel based in Central Office Melbourne. They are not audited accounts, but are considered to be an accurate reflection of the financial position of the New Zealand Chapter as at 30 June 2021. The Chapter's audited accounts will be included in the financial report for the Institute presented at the Annual General Meeting held at the annual conference.

Profit and Loss Summary

Total Revenue for the 2020/21 financial year was \$57,660 and Total Expenses (excluding the income tax benefit of \$7,078) were \$63,331, resulting in a net deficit (pre tax) of \$5,671. There was an Income tax benefit of \$7,078 taken in the year, and so in overall terms, the Chapter attained a Surplus after Income Tax of \$1,407. This compares with \$6,836 in 2020.

This is somewhat a confusing result for us to understand. However if we put GST and Income Tax to one side for a moment (after all most of this relates to prior years), the NZ Chapter earned \$57.7 k from current year normal sources (including membership 51.2 k and events 5.7 k), and spent 37.9 k in normal chapter activities, leaving us with a "normal" surplus result of \$19.8 k. Then once we factor in the combined financial impact of the GST and income tax of 18.4 k, this takes us to the overall \$1.4 k surplus.

As a reminder, our largest income derives from membership levies, being \$51,160 in 2021. Of this, we pay 40% to Central Office, seen as the Membership Share Payment of \$29,186 under the Expenses line. Because of the timing of payments to the New Zealand Chapter and the associated reimbursement by the Chapter to Central Office often occurs over more than one financial year, the actual split shown in the Profit and Loss account is not exactly 40%.

Regarding the GST expense item in the P&L, this is a once only expense that has been charged to 2020/21 and is to account for a catch-up payment of GST that was payable on the net amount of the Chapter's turnover less allowable expenses going back to 2018. This was the result of a review done by Central Office and a NZ based accountant as it was found that the Chapter was no longer below the GST turnover clip level. A Voluntary disclosure was lodged with the IRD and the outstanding taxes paid during the financial 2021 year. Regarding income tax liability, this was also included in the same voluntary disclosure. The amount booked in

2020/21 is actually a negative as it was found that the amount estimated in 2019/20 (for prior year taxes) was overstated, and hence the overestimate was reversed in the 2021 accounts. The combined income tax expense booked in 2019/20 and 2020/21 is \$3,038 – which represents the overall liability going back to 2015. Going forward, income tax is not expected to be a major expense – as membership payments are not-taxable.

Balance Sheet

The \$1,407 surplus result has led to the year-end Balance Sheet showing a healthy equity position (net assets) of \$115,932.

The majority of the Account Payable liability is the amount owing to Central Office for the membership share costs.

Membership and Events

At 30 June 2021, the New Zealand Chapter had 206 active members comprising 142 Full members, 4 Fellow members, 3 Honorary members, 24 Associate members and 33 student members.

Events & other Branch activities for 2020/21 are summarised below:

Event Grouping	Income	Expenses	Net Result
NZ Symposium	3,343	2,090	1,253
Webinars	739	0	739
Auckland Branch	417	826	-409
Manuwatu Branch	161	0	161
Wellington Branch	294	886	-592
Christchurch Branch	344	224	120
Far South Branch	386	1131	-745
	5,684	5,157	527

In summary, the New Zealand Chapter has a strong financial position going into 2021/22, and this provides a good platform for delivering activities, services and programmes to benefit our members.

I would like to thank Terry Abel for invaluable assistance with tracking and managing the financial affairs of the New Zealand Chapter.

I would also like to thank Alison Davies for her enormous contribution to the New Zealand Chapter in her role as Treasurer over the last three years. These years witnessed the move from a largely paper based system to the use of Xero and the identification and sorting out income tax and GST issues.

Ngā mihi
Kevin Tearney, August 2021 Tre