

Australian and New Zealand Society of Criminology, Inc.

Annual General Meeting, 25 September 2007

Report of the Honorary Treasurer

I am pleased to be able to make this report to ANZSOC members on the financial circumstances of the Society.

I hereby submit to members a statement in accordance with section 30(3) of the *Associations Incorporation Act 1981* (Vic) of the accounts of the Society, namely the Financial Statements of the Society for the year ended 30 June 2006, and the Auditor's Report dated 11 September 2007, including:

- a) Income and expenditure during the last financial year;
- b) Assets and liabilities at the end of the last financial year;
- c) Any mortgages, charges and securities affecting the Association's property;
- d) In respect of each trust of which the Association was trustee during a period, being the whole or any part of the last financial year of the Association, the income and expenditure of the trust during that period, the assets and liabilities of the trust during that period, and the mortgages, charges and securities of the trust at the end of that period; and
- e) Any trust held on behalf of the Association by a person or body other than the Association, in which funds or assets of the Association are placed.

The 2006-2007 Financial Statement and Profit and Loss Statements are attached. This shows that the Society made a small net profit of \$1,470 for the financial year. As at 30 June 2007 the Society had equity of \$77,970.

The Society is in a stable financial position and is well placed to remain so into the future. The Society's position would not be as sound though if the Committee of Management had not recently made some difficult decisions regarding membership fees and achieved a good outcome from negotiations with Australian Academic Press for continued publication of the Journal. These decisions and outcomes will be noted separately in the President's and Secretary's reports, but it is important to put them in the right financial context.

The Society's main sources of revenue are royalties from the Journal and membership subscriptions. Royalties for 2006-2007 came to \$12,695, a reduction of \$368 from the previous year. Membership subscriptions for 2006-2007 were \$26,515, an increase of \$7,958 over the previous year. The increase in subscriptions was mainly due to a greater number of biennial memberships falling due, together with a more proactive renewal process which will also yield results in the present financial year. Together with reductions in various areas of expenditure, the bottom line for 2006-2007 was a small operating profit of \$1,470 compared with the loss of \$10,736 in 2005-2006.

Despite this improvement, it has become evident, particularly during the last two financial years, that income from royalties and membership subscriptions has not been sufficient to maintain the Society, let alone give it the opportunity to grow. To illustrate, prior to the Committee of Management taking the decision to increase

membership fees, the annual full membership fee was \$90. This gave members' a range of benefits, particularly three copies of the Journal, at a nominal cost to members of \$30 per copy. The current cost of producing and distributing each Journal is closer to \$36. Even without taking into account the Society's other expenses, the Society was effectively subsidising annual full fee-paying members at the rate of approximately \$6 per journal per full member. The situation was worse in the case of members choosing to renew biennially (at a rate of \$150 for six copies of the journal - \$25 per issue) or for students paying a reduced rate. The largest deficit occurred with overseas members, taking into changes in the value of the dollar over time which made overseas membership cheaper than Australian and New Zealand membership, despite the additional costs for delivering the Journal overseas.

For several years the Society has been able to maintain a term deposit of approximately \$60,000 which resulted from the 2003 Conference in Sydney. During the last financial year the Society had to draw on these funds, reducing the investment to \$50,000, to meet the expenses of producing the Journal. In the absence of changes to the membership fee structure, it was inevitable that the investment would again have to be drawn on in the present financial year and into the future, thereby limiting the Society's opportunities for growth and development.

Together with increased revenues anticipated from our new arrangements with Australian Academic Press, the necessary increases in membership fees will see the Society remain well placed for the future.

Matthew Willis
Honorary Treasurer