



Australasian Road Rescue Organisation Inc.

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Annual Financial Report Presented to the Annual General Meeting - 22 July 2017

By Glen Maule, Governance & Compliance Officer

For the financial year 1 March 2016 to 28 February 2017

Mr President and Fellow Members,

I am pleased to present ARRO's financial statement for the financial year ended 28 February 2017.

The last financial year saw the annual challenge return to Lardner Park with ARRO again hosting the event as we did previously in 2014 and 2012. ARRO engaged High Profile Events (HPE) as our event 'on-site' coordinators/managers at a flat rate fee of \$15,000. HPE adopted the role similar to that of a hosts organising committee. Under this arrangement, HPE receives all revenue and processes all expenses associated with the challenge, providing ARRO with any profits. For ARC16, ARRO received a dividend of \$1,484 which appears in our P&L report. From an income perspective, ARRO fell short of our preferred team numbers with only 16 teams taking part in the event with this resulting in an income of \$138,834 which included revenue derived from trade display rental and sales associated with additional ticket sales for the symposium and functions. From an expenditure perspective, ARC16 incurred \$145,693 worth of direct expenses with \$8,343 of this directly to ARRO. Another \$23,131 can be indirectly attributed to ARC16 due to pre-and post-event costs (travel, mileage, accommodation to and from the challenge, bus repairs, clothing, meals, etc.). Our break even to host the event is factored at 20 teams so with every team under that amount requires ARRO to access beyond the event income and into our reserves. That aside, ARRO is still in a healthy position and in hosting the event, ARRO provides continuity to the annual rescue challenge calendar.

For ARC16, ARRO outlaid funds on equipment purchases and consumables for the event albeit this was only in the range of two thousand dollars which is a reduction from previous years. ARRO has now amassed an impressive range of scenario props and supporting infrastructure required to host the challenge with this positioning us well for our return in 2018. The cache is also offered to assist host agencies in running the ARC. Part of our cache includes two containers housed at Lardner Park with these containers depreciating at \$2,065 per year over a five-year program. Managing our own cache of equipment requires insurance as does ARRO need insurance for legal liability, volunteer coverage and the Directors of our business. This financial year (16/17) saw our insurance premiums amount to \$6,482 which is a slight increase from the previous year of \$6,435.

In addition to the ARC and to assist ARRO manage its business throughout the year in managing its website, memberships, sponsors, circulars to members, financial management, AFAC16, future events and a host of

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day to day activities we set aside \$15,000 for the services of an Executive Officer. This is a one-off fee paid on a per annum basis with the fee being set at that rate since its inception in 2009.

This 2016/2017 financial year does not reflect any sponsor funds as these were paid into our account in January of 2016 with this being realised in the 2015/2016 financial year. This financial year (20-17/18) will project a healthy injection of \$45,000 in sponsorship coming from our three Gold Sponsors (Chubb, Holmatro and joining them, Resqtec). Likewise, our books show income of \$7,480 from our three Associate members (SDS, Falck and Packexe). Agency memberships injected \$17,000, an increase from the previous years \$14,500 and individual memberships brought in another \$8,475 which was a drop from the previous financial year where we secured \$9,825. This drop equates to members electing not to renew their memberships for a range of reasons primarily around retirements, moving into other fields or one time members from the previous challenge not renewing.

The accumulated equity at the end of the financial year totals \$115,935

Overall the financial expenses for 2016/17 totalled \$59,970 against an income stream of \$40,995 and therefore this reports reflects an operating loss of \$18,976 as opposed to an operating profit of \$67 the previous year.

Despite an operating loss of \$18,976 ARRO still maintains a healthy position with two operating accounts with NAB with the cash management account showing \$23,553 and the community fee saver showing \$23,852 at the end of our financial year (28 February 2017) and an additional \$64,399 in our term deposit account. Our final cash at bank position for the financial ending 28 February 2017 shows ARRO with a balance of \$111,935

The Executive Officer will now submit documentation on behalf of ARRO to Consumer Affairs Victoria certifying that the Annual Statement is a "*true and fair*" record of the financial position of the Association.

I move that: "The financial report be adopted."

Glen Maule
Governance & Compliance Officer