

ACOD 2024

FINANCIAL REPORT FOR FY2024

The home of healthy, active and well mannered dogs


Dogs
NEW ZEALAND



Proud sponsor of Dogs New Zealand

Topics



Reflect on FY2024 Financial Performance

Look at the results for some of the key cost centres

Investments

High level overview of the FY2025 Budgets

Capex & IT Projects



FY2024 - Financial Performance



Overview

We have endeavoured to give you a good overview in the Yearbook report.

The expectation had been for a difficult year, budgets that reflected that, but a commitment to continuing to invest in strategic projects - our properties and IT systems.

An operating loss of \$126,000 pre depreciation (\$180,000 after depreciation) was forecast.

A combination of sound cost controls, deferred project expenditure, and good investment returns provided for a small operational surplus while the unrealised gains in the Managed Investment Fund lifted the reported result to a surplus of \$275,000.

While the gains in the fund are welcomed, they can't be allowed to hide the fact that the organisation needs growth in existing and new revenue streams to develop.



FY2024 - Financial Performance



Overall Operating Performance Before EOY Adjustments

	FY24 Actual	Budget	Variance	FY23 (Last Year)
National Office Operations	94,425	(92,726)	187,151	77,907
NZ Dog World	48,618	75,244	(26,625)	67,832
AEC	(22,521)	(43,926)	21,404	24,239
Dunedin	(5,592)	(21,641)	16,049	(1,183)
Committees & Events	(6,939)	(41,676)	50,786	31,670
Total Operating Surplus/(Deficit)	107,990	(124,725)	232,715	200,465
Depreciation	(53,993)	(51,149)	(2,784)	(58,540)
Net Surplus/(Deficit) from Operations	54,058	(175,874)	229,931	141,925
Unrealised Gains/(Losses)	224,230	0		(217,352)
Surplus before EOY adjustments	278,288	(175,874)	454,162	(75,427)
Surplus after EOY adjustments	275,209			



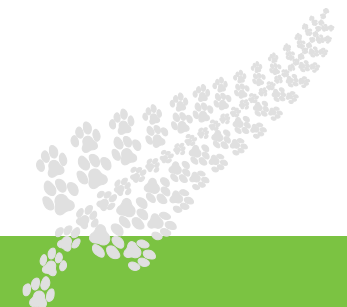
Dogs NZ – National Office



Core Operations

	FY24 Actual	Budget	Variance	FY23 (Last Year)
Registry	425,108	527,915	(102,807)	539,820
Membership	314,007	321,620	(7,613)	311,206
Show Levies	148,136	116,464	31,672	126,352
National Office Total Income	1,387,513	1,296,839		1,075,993
National Office Total Expenses	1,293,088	1,389,565		1,215,440
Total Operating Surplus/(Deficit)	94,425	(92,726)		(77,907)

Registry - \$'s down 21.3% on FY23, litters down 21.8%, registrations per litter holding
 DNZ membership – Fees are up 8% on FY23, however kennel name fees are down
 Show levies - #'s include Conformation, DT, Agility paid to DNZ



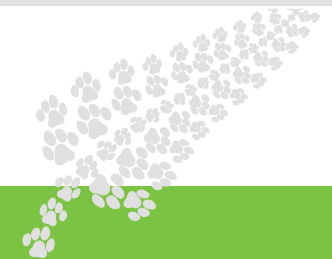
NZ Dog World - Financial Performance



Dog World Profit & Loss

	FY24 Actual	Budget	Variance	FY23 (Last Year)
Income - Subscriptions	207,741	200,089	7,652	191,942
Income - Advertising	86,587	89,998	(3,411)	90,148
Income - Schedules	48,495	49,139	(644)	50,320
Total Income	342,823	339,226	3,597	332,410
Expenses - Printing	113,319	111,600	(1,719)	111,324
Expenses - Distribution	95,600	69,650	(25,950)	71,354
People/Office/General	85,286	82,732	(2,554)	81,900
Total Expenses	294,205	263,982	(30,223)	264,578
Surplus/(Deficit)	48,618	75,244	(26,626)	67,832

Income +3% on LY, Distribution costs +34% on LY



National Dog Show - Financial Performance



National Dog Show Profit & Loss

	FY24 Actual	Budget	Variance	FY23 (Last Year)
Income – Total Entries	49,797	42,300	7,497	51,304
Income – Stalls, Parking & sundry income	34,668	37,394	(2,726)	41,638
Income – Advertising & Sponsorship	29,662	39,217	(9,555)	39,218
Total Income	114,127	118,911	(4,785)	132,160
Expenses - Prizes	24,919	22,000	(2,919)	22,892
Expenses – Judges/Catering	52,873	51,850	(1,023)	45,495
Expenses – Venue & Equipment Hire	41,368	38,214	(3,154)	36,963
Expenses – Levies & E.C.	18,160	11,700	(6,460)	10,705
Total Expenses	137,320	123,764	(13,556)	116,055
Surplus/(Deficit)	(23,193)	(4,853)	(18,340)	16,105



DNZ Properties - Financial Performance

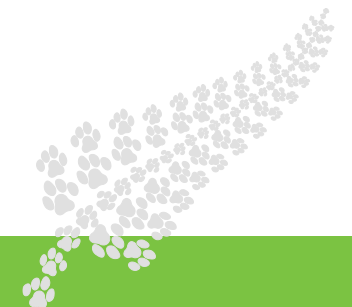


Auckland (P&L)

	FY24 Actual	Budget	Variance	FY23 (Last Year)
Total Income	152,684	150,813	4,950	205,535
Expenses - Overheads	63,668	54,177	(9,491)	49,726
Expenses – R&M	111,537	140,562	29,025	129,222
Total Expenses	175,205	194,739	11,505	178,948
Surplus/(Deficit)	(22,521)	(43,926)	21,405	26,587
Depreciation	(36,611)	(37,440)	829	(34,689)
Net	(59,133)	(81,366)	22,233	(51,031)

FY23 had extraordinary income of \$51K of bequests

Underspend in R&M relates to project expenditure that will carry over into FY25

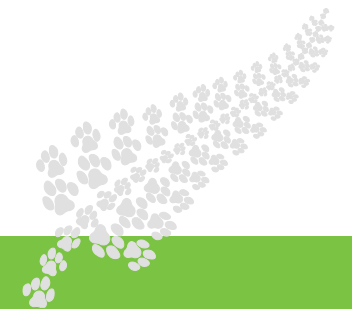


DNZ Properties - Financial Performance



Dunedin (P&L)

	FY24 Actual	Budget	Variance	FY23 (Last Year)
Total Income	32,103	31,630	473	29,978
Expenses - Overheads	20,521	28,355	7,834	
Expenses – R&M	17,173	24,915	7,742	13,331
Total Expenses	37,694	53,270	15,576	31,161
Surplus/(Deficit)	(5,592)	(21,641)	16,049	(1,183)
Depreciation	(5,826)	(5,698)	(128)	(5,224)
Net	(11,418)	(27,339)	15,921	(6,407)



Dogs NZ – Committees



Individual Committee P&L Reports

	FY24 Actual	Budget	FY23 (Last Year)
Agility	(19,012)	(25,280)	3,656
Agility DAC	4,129	82	(2,804)
Dog Training (All)	(2,881)	2,182	2,669
NDTA	3,169	(5,210)	87
Canine Good Citizen	12,016	3,500	2,804
JDT	16,059	(5,706)	2,536
JDS	3,568	(183)	6,670
FCI	(794)	(6,175)	(51)

Note: These reports do not reflect the funds generated for national office or the expenses carried by the National Office



FY2024 - Audit

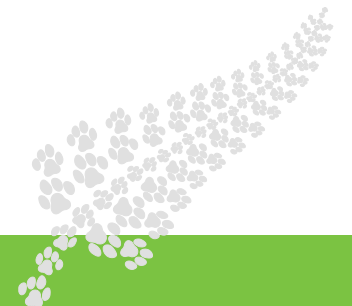


There were no major issues arising out of the Audit.

Areas noted were:

- Ensuring management has visibility over all Club bank accounts managed by Committees
- Improved process for tracking of inter-entity transactions to ensure no double up in financial reporting
- Suggested improvements to the Statement of Service and Performance Measures

Not raised by the Auditors but of concern is the extent to which the finance function is reliant on legacy spreadsheets. The Treasurer is working to remedying this in the current year.



Property & Investments



Property

Property, plant, & equipment continue to be conservatively valued in our balance sheet at \$745,741

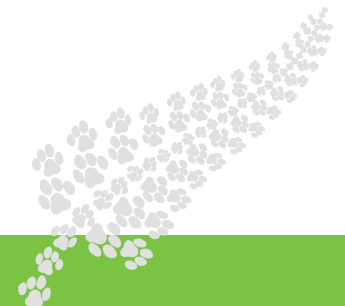
Term Deposits

Excess working capital not required for day-to-day operations is placed on term deposit – the value of term deposits at 31 March 24 was \$430,000

Forsyth Barr Managed Investment Fund

The proceeds of selling the Prosser Street property along with \$1.15m of accumulated reserves was invested in a managed fund in March 2022:

- Results have improved with a solid result for FY24 showing 6.61% growth for the year (5.02% since initial investment)
- Settings remain set at defensive
- Heavily skewed towards cash and fixed Interest
- Recommendation from fund managers is to upweight bonds
- The fund has subsequently moved out of property investments since 31 March 24



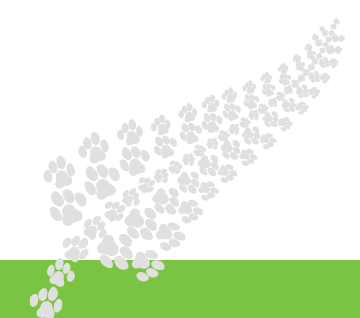
Investments – Managed Investment Fund



	Funds invested with Forsythe Barr 16/3/22	Balance as at 31/3/23	Interest & Dividends	Realised Gain/(Loss)	Unrealised Gain/(loss)	Fees	Fund value at 31/3/24	
Prosser Street proceeds	5,990,000.00	5,902,819.99	297,699.53	(8,592.89)	130,885.06	(29,884.02)	6,292,927.67	
Additional NZKC Funds	1,010,000.00	992,997.76	50,080.29	(1,445.53)	22,018.05	(5,027.22)	1,058,623.35	
	7,000,000.00	6,895,817.75	347,779.82	(10,038.42)	152,903.11	(34,911.24)	7,351,551.02	
		31/03/2023					31/03/2024	Change
Cash & cash equiv.		3,484,333.30					4,254,448.92	770,115.62
NZ Fixed Interest		2,246,436.52					2,274,944.26	28,507.74
Int'l Fixed Interest		251,954.10					325,694.72	73,740.62
Australasion Equities		479,538.95					151,018.14	- 328,520.81
Int'l Equities		369,472.86					227,448.59	- 142,024.27
Listed Property		64,245.96					117,996.39	53,750.43
YE diff to financial statement		(163.94)						
		6,895,817.75					7,351,551.02	455,569.33

less

Returns, gains & losses, and fees have been applied pro-rata to the respective source of funds



Financial Budget FY2025



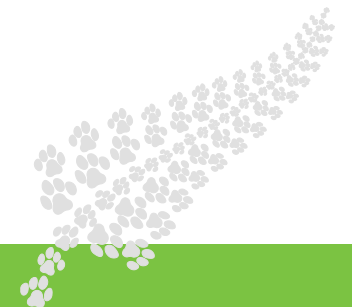
FY2025 Budget – Another cautious budget

The FY2025 budget signed off by Management with Executive Council provides for an operational deficit of \$102,000 before depreciation and investment in our venues which takes this out to a net deficit of \$192,000

This reflects ongoing concerns with cost of living affecting all dog owners, interest rates remaining high, and a potentially increasing unemployment rate – all things which are impacting on our members.

Registry, membership, and investment income has been budgeted conservatively

There is no provision for unrealised gains or losses

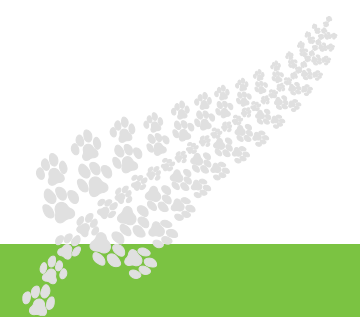


Financial Budgets FY2025 – Forecasting a deficit



Consolidated Budget

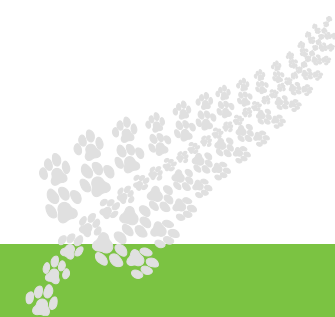
	FY25 Budget	FY24 Actual
Total Income	2,313,606	2,335,222
Total Expenditure	2,416,263	2,227,231
Operating Surplus/(Deficit)	(102,600)	107,990
Investment in Venues	39,450	
Depreciation	50,016	53,933
Net Surplus/(Deficit)	(192,193)	54,058
Unrealised Gains/(Losses) from Investments		224,230
	(192,193)	278,288



Budget FY25 - Dogs NZ Core Operations



	FY25 Budget	FY24 Actual	Variance	FY23 Actual
Registry	433,970	425,108	+2.08%	539,820
Membership	327,835	314,007	+4.40%	311,206
Show Levies	126,809	148,136	(14.40%)	126,352
Dog World	17,221	48,618		67,832
Auckland Property	(35,822)	(22,521)		26,587
Dunedin Property	(981)	(5,592)		(1,183)
National Dog Show	(23,789)	(23,193)		16,105



Budget FY25 - Dogs NZ Committees



Individual Committee Budgets

	FY25 Budget	FY24 Actual	FY23 Actual
Agility	(39,516)	(19,012)	3,656
Agility NZDAC	(12,370)	4,129	(2,804)
Dog Training (All)	4,432	(2,881)	2,669
NDOA	2,950	3,169	87
Canine Good Citizen	9,060	12,016	2,804
JDT	9,908	16,059	2,536
JDS	(12)	3,568	6,670
FCI	(774)	(794)	(51)

Note: These reports do not reflect either the funds generated for National Office or the expenses carried by the National Office



Capital Expenditure - Property

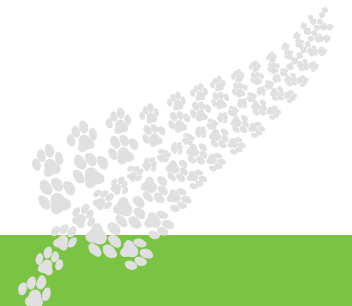


After 2 years of steady investment, DNZ is budgeting for a 'quieter' year for our DNZ venues (subject to no unexpected emergency major R&M).

Our focus is on allocating resource to change or expand Ardmore property 'consent of use' to allow use of the venue for a wider range of uses and attract commercial hire revenue.

If successful, it is likely that we will need to fund some substantial upgrades:

- Access & parking for heavy catering and equipment vehicles
- Upgrade to a commercial kitchen
- New meeting rooms and management offices
- Alternative floor coverings
- Toilet & shower block upgrades



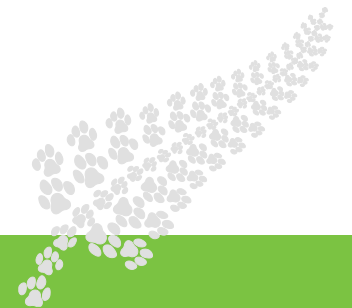
Capital Expenditure - Property



Funding

While there will be a need for a robust business case before any commitments are made, the cost to develop the venue to the level required to attract commercial hirer's will be substantial.

We will not be able to fund this work from working capital (cash on hand and term deposits) and will need to access our excess capital reserves of circa \$1.0m sitting in the managed investment fund.

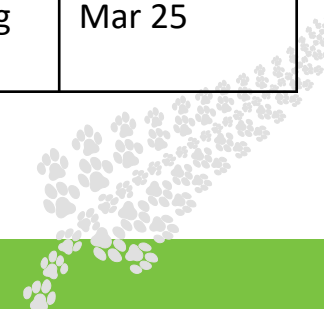


Capital Expenditure – IT Capex & Projects



Current work in progress or due to commence during FY25

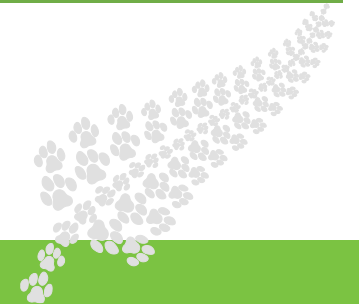
Project	Benefits	Status	Expected Delivery
Show Manager	Enable Members & Clubs to enter and administer Shows with full integration to DNZ databases	Live testing	Oct 24
Dog Training Database	Creation of CGC/Canine Good Basics databases with integration to website & ability to generate EDM campaigns to promote dog sports	In development	Sept 24
Web Platform Upgrade	Complete refresh of website to enhance public engagement & promotion of pedigree dogs & dog sports. Revised member services section with improved navigation	Scoping & Development of Brief	Dec 24
Membership & Kennel Names	Automation of new members/kennel names & renewal process (includes more informative 'welcome pack')	Available	Jul 24
Award Certificates	Automation of award certificate processing allowing for pdf of certificate to be available immediately on confirmation	In development	Dec 24
Dog Registry	Online registration option for sports dog registrations (Part II of registry)	Scoping/Planning	Mar 25



Last year slides if required



Last year's slides if required



FY2023 - Financial Performance



Overall Operating Performance

	FY23 Actual	Budget	Variance	FY22 (Last Year)
National Office Operations	77,907	(16,368)	+94,275	94,629
NZ Dog World	67,832	50,706	+17,126	84,350
AEC	24,239	(10,169)	+34,408	(16,444)
Wellington				(40,005)
Committees & Events	30,487	(20,968)	+51,455	(12,877)
Total Operating Surplus/(Deficit)	200,465	3,201	+197,264	135,407
Depreciation	(58,540)	(61,347)	+,2,807	(81,320)
Net Surplus/(Deficit) from Operations	141,925	(58,146)	+200,071	54,087
Extraordinaries	(217,352)	0	(217,352)	5,990,634
	(75,427)	(58,146)	(17,281)	6,044,721



Investments – Managed Investment Fund FY23



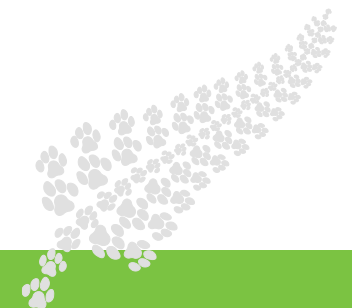
Asset Class	31 March 2022	31 March 2023	Unrealised Gain/(Decline)	Review 14 June 23
Cash & Fixed Interest	6,433,806	5,982,560		6,374,972
Property	0	64,246		69,025
NZ Equities	227,800	234,200		158,100
Australian Equities	158,746	245,339		92,426
International Equities	177,937	369,473		269,507
Total	6,998,289	6,895,818	(102,471)	6,964,030

Unrealised Loss is the net effect of Interest & Dividends received of \$212k, less Realised Losses crystallised during re-balancing, less Fees of \$26k, less Unrealised Losses in held Assets \$217k

The M.I.F includes the \$5,990,000 proceeds from the sale of Prosser Street. Estimated earnings are \$174,000 or 2.9%

Actions taken to reduce exposure to volatility:

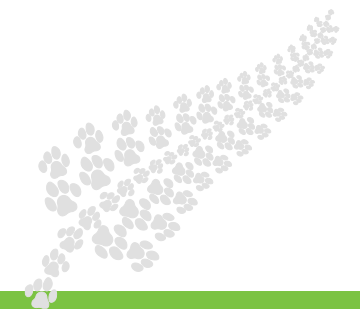
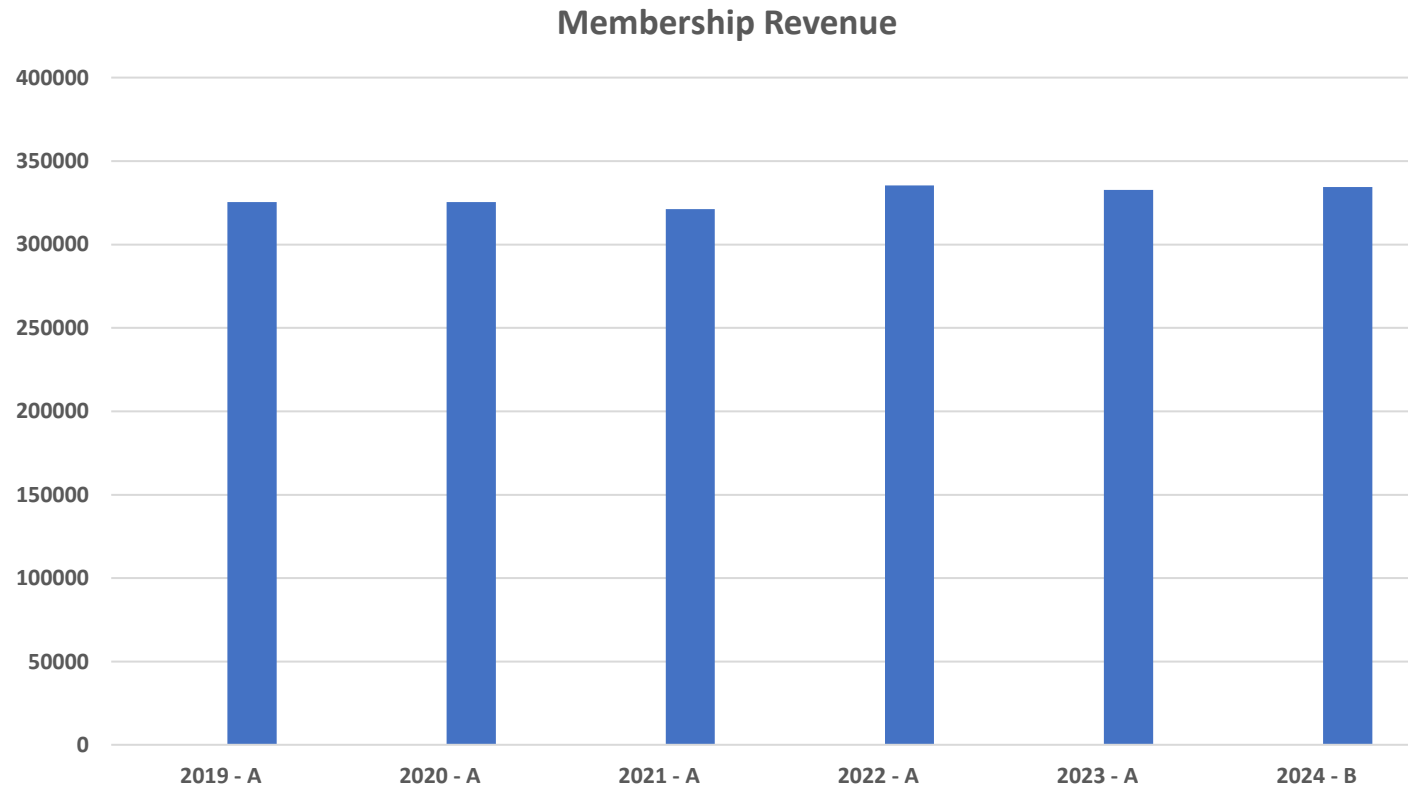
1. Shifting from Balanced to Defensive (August 2022)
2. Increased emphasis on Cash & reduced emphasis on Shares
3. Increased flexibility
4. Will be reviewed again in August



Financial Budget FY2024



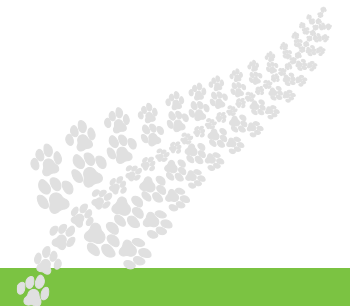
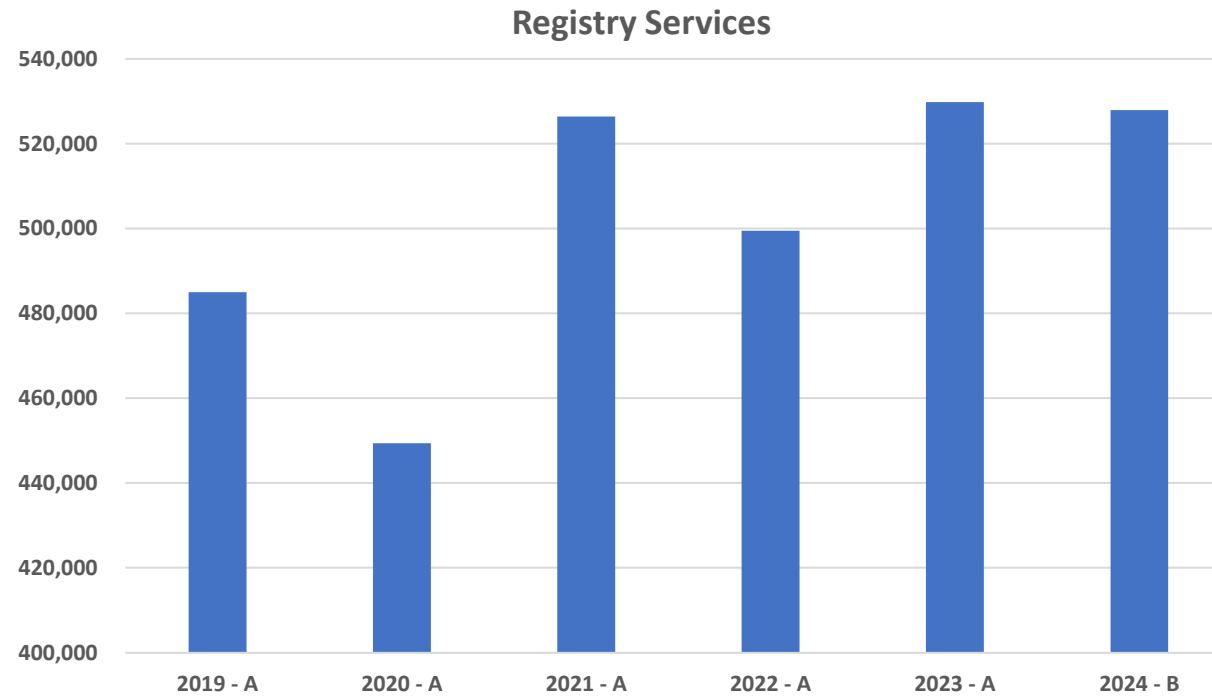
Membership



Financial Budget FY2024



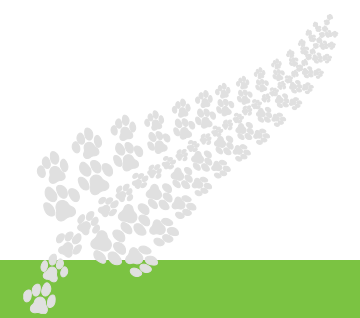
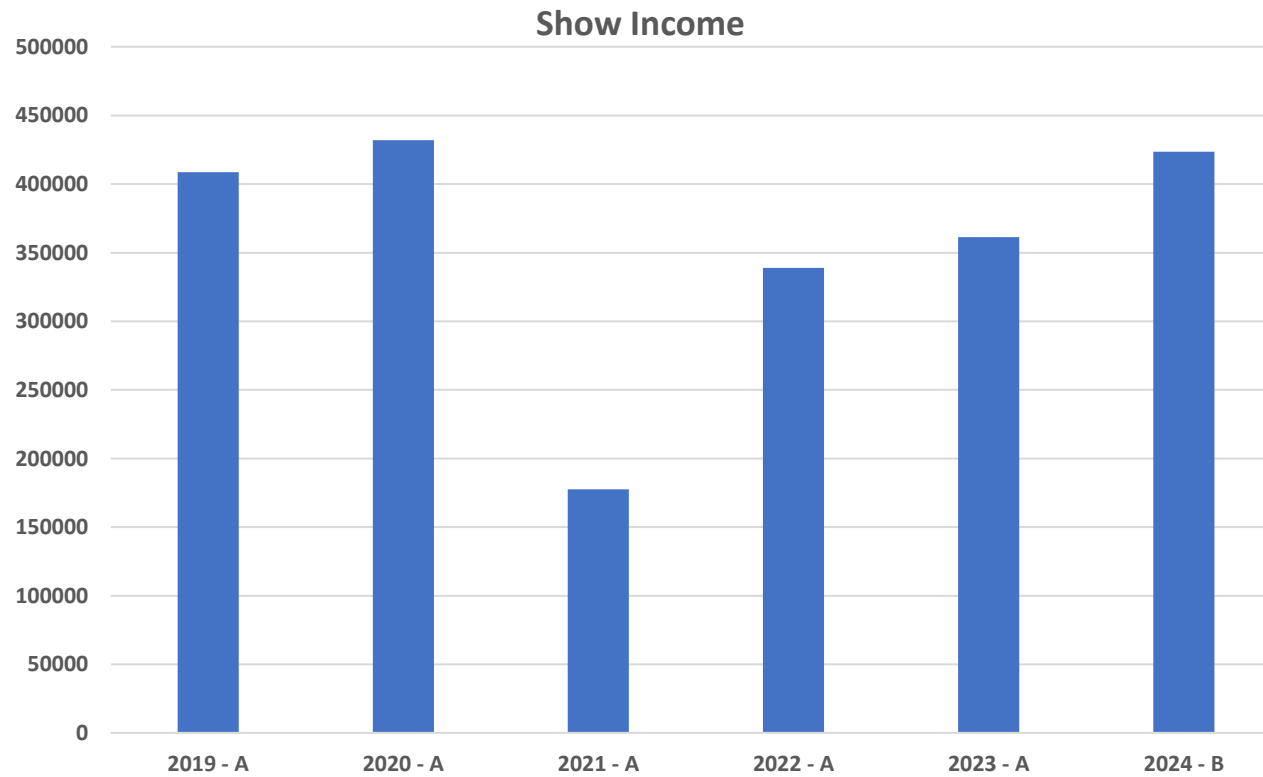
Registry



Financial Budget FY2024



Show Income – all disciplines



Financial Budget FY2024



NZ Dog World

