

SOCIETY FOR CREATIVE  
ANACHRONISM LTD (AU)  
TREASURERS REPORT 2013

*Kingdom of  
Lochac*

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## Financial Status of the Society for Creative Anachronism

2013 saw 26 reporting entities to Corporate, during the course of the year the following four groups were closed or disbanded.

- Achenfeld
- Bacchus Woods
- Boesenberg
- Mynydd Kynghordy
- 

A consolidated profit of \$50,838.86 (with reservations\*) was made by the SCA Ltd AU. There is combined cash at hand open Balance of \$ 285328.6 with a closing balance of \$334063.80, resulting in a \$48735.20 increase on cash at hand.

Currently I have no reservation in stating the Society of Creative Anachronism is capable of meeting all its current financial obligations. However the SCA's current financial structure is not capable of meeting ASIC Auditing Regulations and needs to be rectified as a priority. This matter is discussed in more detail later in the report.

## Corporate Bank Account Health Check

(Membership Account)

The Corporate Bank Account and Paypal account had a combined opening balance of \$51360.29 and a closing balance of \$50874.69. It should be noted that the following expenses will need to be funded from this account in the next few months:

- Affiliation Fees to the US approximately \$5100 (AU)
- Event Levies (Insurance) approximately \$ 8500 ( not all monies received from Branches)
- GST Q4 2013 Obligation \$8259 (not all monies received from Branches)
- Expected GST Q1 2014 Obligation approximately \$12000
- Butler Senttinere Professional Review Fees of approximately \$3500
- Insurance Renewal in July Approximately \$15000

## Key Issues for 2013

### Treasurers for 2013

Three different people hold the position of Corporate Treasurer for 2013

- Glynnis Hollindale
- Margaret Sleigh
- Sandra Watkins

Sincere Gratitude is extended to both Glynnis and Margaret for their exceptional work whilst in this role.

## **Income Tax self-Assessment**

An income tax assessment was conducted by Sandra Watkins due to the combined revenue of the SCA Ltd breaching the ATO revenue thresholds for income tax payments. It was determined that the SCA Ltd was not required to pay income tax as it fell within the tax exempt entity of a Cultural Organisation. Full report provided in Appendix One.

## **Collection of GST & Event Levy Monies**

(Possibly Kingdom Levies as well)

Levy and GST payments are slow to be made to the Corporate account (in some circumstances not being paid till the end of the Financial Year) Requiring Corporate to finance the liability's associated with these expenses. Steps will need to be taken in the new financial year to guarantee these payments are made on time and being reconciled to ensure that there are sufficient funds to meet the associated obligations.

## **GST Reporting**

GST reporting is getting better from the Branches; however untimely reporting is resulting in significant fines being incurred each quarter which are funded from the Corporate account. Plans are in place to update the Financial Policy to ensure that the Branches that are not reporting on time are paying the associated fines. The GST payments will also need to be reconciled. There are several incidents of the reported figure to the ATO being different from the Branches calculated figure resulting in payments that are not reconciling.

## **New Financial Issues effecting the SCA**

### **Corporations Act**

In 2013 the SCA Ltd Australia combined revenue breached ASIC regulations triggering the need for an audit or review to be conducted on its financial status. On consultation with an auditing company Butler Settineri, who specialise in not for profit organisations it was determined that at this point in time only a review would be necessary, providing what is called a Negative assurance - "We saw nothing wrong here". Normally this review would be conducted prior to presentation of financials at the AGM. I offer my sincere apologies for my inability to meet the deadline required by the auditors to enable presentation at the AGM due to personal reasons. These documents will be published in Pegasus when they become available.

Initial discussions with the Auditor showed that the SCA Ltd AU would not receive an unqualified audit report. This is not a complete list of items that will be present in the auditors review, but the item requiring the most concern

## Section 286 of Corporations Act

The SCA is classified as a public company by ASIC and is required to be Audited / Reviewed on an annual basis. Section 286 of the Corporations Act requires the directors of a company to keep written financial records that

- (a) Correctly record and explain its transaction and financial position and performance and
- (b) Would enable true and fair financial statements to be prepared and audited.

Excel spreadsheets are not considered easily auditable, and require time consuming consolidation to gain an overall picture of the current financial status of the SCA. The manner that the excel spreadsheets have been used also prevents accurate reporting to the Australian Accounting Standard. The P&L for the SCA is not accurate due to the nature we currently report GST and the impression that some branches have in what is considered income and expenses. Accurate records of Monies between groups are also causing figures to be difficult to reconcile.

### Rule of Nature and Type of Expense

Australian Accounting Standards require that expenses classification not encompass more than 10% of the overall value of expenses. Currently the SCA Ltd at branch level only has two classifications – Event expenses and Non-event expenses. This breaches the Standard of Nature and type of expense. In order to combat this reporting would need a greater breakdown of our expenses similar to the following,

#### Event Expenses

- Flights
- Food
- Hall hire
- Equipment Hire
- Decorations

#### Non Event Expenses

- Hall hire
- Clubroom expenses
- Postage
- Feast ware
- Archery Equipment
- Heavy equipment

## Means of Rectifying Inadequacies in Reporting

The SCA LTD needs to seriously investigate rolling out an accounting package that addresses the many issues that the Financial Review brings to light.

Any accounting package we roll out is going to need the following:

1. Affordability
2. Ease of use
3. Easily passed on to the next Reeve
4. Ability to enable easy consolidation of accounts to get a Kingdom level Report. (or AU & NZ)

Towards that goal I have been looking into a product called XERO. They have an accounting package that is designed for cash based situations like the SCA. It doesn't have an invoicing feature for example which is generally not something our Reeves require.

Its cloud based, so passing onto the next reeve is a matter of allocating a password and user name and negates the need to reload software onto someone else's computer each time there is a changeover in Reeves. Numerous people could be logged on at the same time and it allows access by the treasurer without having to wait for the information to be uploaded to drop box.

It costs about \$19AU dollars per month per package. For larger groups this isn't going to be a problem. For the smaller ones there is a potential for this to be seen as too exorbitant. I see two ways to address this situation, one that Corporate fund the purchase of the packages and two that we combine Branches into "consolidated groups". As there is the ability to have more than one user on line at a time and not be in the same place we could place Baronies with their Cantons on the same package reducing the cost amongst them. The program allows what's called Jobs / Classing depending on what Accounting package you are familiar with, which enables you to identify and report on each of the Branches that use the package either individually or on a group level. Having several groups utilising a package would also make consolidating into a Kingdom Level report much easier.

I see the rollout incorporating a Skype or other setup giving training and support to the Reeves. The accounting package would be pre-set with all their information so it's just the data they have to manage. Xero also has the ability to down load the bank statement straight into the package so that all the Reeve is required to do is code it appropriately. Saving a lot of time for the Reeve as well who is not re-entering data into a spreadsheet. Reconciliation of Bank Accounts and other items becomes very simple.

We don't have a choice with this one. Either we address the deficiencies in our reporting or ASIC shut the doors for us.

## Cash Balances as of the 1st Of January 2013

Branch	Bank Account Details	Opening Balance	Closing Balance
Abertridwr	036-302 19-8168	\$7,237.31	\$3,904.61
Abertridwr - Pencampwr	036-302 31-2207	\$7,054.86	\$7,930.05
Adora	034-054 27-8329	\$3,683.35	\$3,843.71
Agaricus	062322 10372235	\$4,019.35	\$2,917.81
Aneala	034-054 27-3405	\$16,006.44	\$16,969.78
Bacchus Wood	034-054 27-2736	\$2,406.15	\$1,691.20
Bordescros	803070 46684	\$2,157.98	\$2,157.98
Burnfield	633-000 125679928	\$3,901.76	\$3,094.20
Cairnfell	633-000 125519256	\$1,080.20	\$1,337.79
Corporate	034-054 26-2319	\$48,561.93	\$49,445.21
Dismal Fogs	112-879 052235961	\$857.24	\$1,893.44
Donations	034-054 28-1958	\$585.42	\$587.44
Dragon's Bay	034-054 28-3187	\$5,688.92	\$5,821.19
Innilgard	015-311 4808-04509	\$4,356.68	\$2,849.24
Innilgard No 2	015-311 4808-24286	\$6,035.00	\$3,133.00
Kingdom	034-054 26-2327	\$26,005.12	\$38,289.42
Krae Glas	033-065 32-5771	\$20,771.17	\$2,657.23
Krae Glas - No2	033-337 34-8812		\$10,146.47
Mordenvale	062- 817 10160387	\$17,568.14	\$21,788.41
Mynydd Kynghordy	034-054 28-4876	\$927.67	\$1,680.00
Okewaite	034-054 27-8353	\$715.47	\$3,252.18
Pay Pal Account	Paypal2@SCA	\$2,798.36	\$1,429.48
Politarchopolis	032-778 469607	\$6,057.66	\$13,855.26
River Haven	034-054 28-8279	\$6,623.92	\$6,411.31
Rowany	032-062 38-4421	\$58,509.70	\$62,972.99
Rowany Try Booking Funds		\$0.00	\$21,604.74
St Florian de la Riviere	034-054 28-7823	\$4,576.95	\$17,551.84
Stegby	084-983 19-794-2084	\$1,248.97	\$564.77
Stormhold	033-002 39-9546	\$6,883.51	\$5,719.88
Stormhold - Maxi	033-002 10-2263	\$8,753.27	\$8,754.07
Stowe on the Wold	082-778 11-450-0943	\$8526.04	\$7,220.77
Torlyon	062-629 10148186	\$593.50	\$541.50
Willoughby Vale	034-054 28-5967	\$1,383.91	\$1,610.83
Ynys Fawr	632-001 100129535	\$8,278.78	\$436.00
<b>TOTALS</b>		<b>\$285328.69</b>	<b>\$334063.80</b>

## Society for Creative Anachronism Ltd Australia

### Statement of Financial Performance

<b>Income</b>	
Event Income	\$339,372.21
Non-event income	\$54,862.12
Interest	\$722.35
Donations	\$9,079.62
Memberships	\$26,756.49
Pegasus Subscription	\$276.00
<b>TOTAL</b>	<b>\$431,072.44</b>
<b>Expenses</b>	
Event Expenses	\$258,058.19
Non Event Expenses	\$91,958.91
Bank Fees and Charges	\$1,648.96
Affiliation Fees	\$4,107.00
Audit Fees	\$951.50
Insurance	\$15,930.17
Pegasus	\$653.70
General	\$554.02
Regalia	\$290.59
Services - Computer Servers	\$600.00
Royal Travel Funds	\$4,696.54
Scribes	\$89.50
Greater Kingdom Fund	\$178.00
Postage	\$516.50
<b>TOTAL</b>	<b>\$380,233.58</b>
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<b>Profit or Loss</b>	<b>\$50,838.86</b>
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**\*Due to the nature of the recording methods the above figures are GST inclusive.**



## Trial Balance (opening)

1.001	Cash at Bank	334,063.80
1.100	Non Current Asset- Krae Glas Trailer	500.00
1.101	Non Current Asset- Krae Glas Baronial Equipment	2,166.53
1.102	Non Current Asset- Aneala Trailer Cover 22/5/201	710.00
1.103	Non Current Asset- Dragons Bay Trailer P/D 20/5/1	1,200.00
1.104	Non Current Asset- Borderscross Fridge	479.00
1.105	Non Current Asset- Burnfield Chest Freezer	450.00
1.106	Non Current Asset- Innilgard Veiwing Paviliion	740.00
1.107	Non Current Asset- Aneala Coronets 2007	700.00
1.108	Non Current Asset- Aneala B&B Pavillion 05/2006	2,000.00
1.109	Non Current Asset- Aneala Trailer 11/2008	2,145.00
3.001	Retained Earnings	(294,319.12)
4.001	Event Income	(339,372.21)
4.002	Non event income	(54,862.12)
4.003	Interest	(722.35)
4.004	Donations	(9,079.62)
4.005	Memberships	(26,756.49)
4.006	Pegasus Subscription	(276.00)
5.001	Event Expenses	258,058.19
5.002	Non Event Expenses	91,958.91
5.003	Bank Fees and Charges	1,648.96
5.004	Affiliation Fees	4,107.00
5.005	Audit Fees	951.50
5.006	Insurance	15,930.17
5.007	Pegasus	653.70
5.008	General	554.02
5.009	Regalia	290.59
5.010	Services - Computer Servers	600.00
5.011	Royal Travel Funds	4,696.54
5.012	Scribes	89.50
5.013	Greater Kingdom Fund	178.00
5.014	Postage	516.50

## Event Insurance Per Group Per Quarter

Group	Q1	Q2	Q3	Q4	TOTAL
Abertridwr	\$45.00	\$255.00	\$105.00	\$0.00	\$405.00
Adora	\$0.00	\$20.00	\$0.00	\$360.00	\$380.00
Agaricus	\$10.00	\$5.00	\$0.00	\$30.00	\$45.00
Aneala	\$110.00	\$165.00	\$220.00	\$170.00	\$665.00
Aneala		-\$30.00		-\$40.00	-\$70.00
Aneala - Aarchenfeld	\$125.00				\$125.00
Aneala - Vallon d'or		\$25.00			\$25.00
Bacchus	\$20.00	\$0.00	\$0.00	\$0.00	\$20.00
Bordescross	\$45.00	\$40.00	\$25.00	\$25.00	\$135.00
Burnfield	\$0.00	\$0.00	\$35.00	\$10.00	\$45.00
Cairnfell	\$10.00	\$40.00	\$90.00	\$0.00	\$140.00
Dismal Fogs	\$20.00	\$45.00	\$0.00	\$0.00	\$65.00
Dragons Bay	\$5.00	\$35.00	\$95.00	\$35.00	\$170.00
Innilgard	\$120.00	\$310.00	\$160.00	\$435.00	\$1,025.00
Krae Glas		\$285.00		\$95.00	\$380.00
Mordenvale	\$165.00	\$0.00	\$230.00	\$0.00	\$395.00
Myn Kyn	\$0.00	\$20.00	\$0.00	\$0.00	\$20.00
Okewaite	\$0.00	\$35.00	\$285.00	\$15.00	\$335.00
Polit	\$145.00	\$240.00	\$635.00	\$140.00	\$1,160.00
Riverhaven	\$120.00	\$201.00	\$616.00	\$90.00	\$1,027.00
Rowany	\$25.00	\$1,305.00	\$85.00	\$130.00	\$1,545.00
St Florian	\$30.00	\$118.00	\$10.00	\$50.00	\$208.00
Stegby	\$10.00	\$45.00	\$55.00	\$35.00	\$145.00
Stormhold	\$70.00	\$190.00	\$285.00	\$265.00	\$810.00
Stowe	\$0.00	\$0.00	\$25.00	\$55.00	\$80.00
Torlyon	\$0.00	\$80.00	\$0.00	\$0.00	<b>\$80.00</b>
Willoughby Vale	\$15.00	\$0.00	\$0.00	\$0.00	\$15.00
Ynys Fawr	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

## GST Payments Due to Corporate by Branch

<b>GST OWING TO CORP</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>TOTAL</b>
Abertridwr	-\$110.00	\$477.00	\$46.00	\$67.00	\$480.00
Adora	\$9.00	\$130.00	\$11.00	\$72.00	\$222.00
Agaricus	\$0.00	\$0.00	\$0.00	\$44.00	\$44.00
Bacchus	-\$35.00	\$22.00	\$0.00	-\$1.00	-\$14.00
Bordescross	\$495.00	-\$61.00	\$26.00	\$89.00	\$549.00
Burnfield	\$39.00	\$182.00	\$36.00	\$12.00	\$269.00
Cairnfell	\$0.00	\$61.00	\$0.00	\$0.00	\$61.00
Dismal Fogs	\$0.00	\$161.00	\$0.00	-\$14.00	\$147.00
Dragons Bay	\$4.00	\$98.00	\$24.00	\$119.00	\$244.76
Innilgard	\$13.00	\$197.00	\$1,017.00	-\$360.00	\$867.00
Krae Glas	\$568.00	-\$141.00	\$53.00	-\$37.00	\$443.00
Mordenvale	-\$176.00	\$849.00	\$1,321.00	\$1,561.00	\$3,555.00
Myn Kyn	-\$15.00	\$7.00	-\$13.00	\$126.00	\$0.00
Okewaite	\$23.00	\$45.00	\$36.00	\$201.00	\$91.00
Polit	\$36.00	\$486.00	\$381.00	\$1,080.00	\$1,983.00
Riverhaven	\$161.00	\$1,235.00	\$632.00	\$160.00	\$2,188.00
Rowany	\$6,132.00	-\$1,026.00	\$350.00	\$8,241.00	\$13,697.00
St Florian	\$209.00	\$106.00	\$106.00	\$429.00	\$850.00
Stegby	-\$9.00	\$57.00	\$84.00	\$66.00	\$198.00
Stormhold	-\$13.00	\$243.00	\$219.00	\$36.00	\$485.00
Stowe	\$9.00	-\$116.00	\$91.00	-\$177.00	-\$133.00
Torlyon	\$0.00	\$46.00	\$0.00	\$0.00	<b>\$46.00</b>
Willoughby Vale	\$89.00	\$0.00	\$0.00	-\$1.00	\$95.00
Ynys Fawr	\$109.00	\$142.00	\$0.00	\$322.00	\$573.00
Aneala	\$12.00	-\$43.00	\$334.00	\$167.00	\$467.00
Aneala - Aarchenfeld	\$72.00	\$0.00	\$0.00	\$0.00	\$72.00
Aneala - Bosenburg	\$1.00	-\$13.00	\$0.00	\$0.00	-\$12.00
Aneala - Vallon d'or	\$0.00	\$0.00	\$0.00	\$114.00	\$114.00
<b>CORPORATE</b>	<b>\$556.00</b>	<b>-\$588.00</b>	<b>\$627.00</b>	<b>\$485.00</b>	<b>\$1,080.00</b>
Kingdom	-\$76.00	\$0.00	\$0.00	-\$7.00	-\$83.00
Rowany	\$0.00	\$0.00	\$0.00	-\$281.00	-\$281.00
<b>TOTALS</b>	<b>\$8,103.00</b>	<b>\$2,556.00</b>	<b>\$5,381.00</b>	<b>\$12,513.00</b>	<b>\$28,297.76</b>
<b>GST RECEIVED</b>					<b>10226.22</b>

## Event Levies Due to Corporate By Branch

<b>Event Levies OWING TO CORP</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>TOTAL</b>
Abertridwr	\$45.00	\$255.00	\$105.00	\$0.00	\$405.00
Adora	\$0.00	\$20.00	\$0.00	\$360.00	\$380.00
Agaricus	\$10.00	\$5.00	\$0.00	\$30.00	\$45.00
Bacchus	\$20.00	\$0.00	\$0.00	\$0.00	\$20.00
Bordescross	\$45.00	\$40.00	\$25.00	\$25.00	\$135.00
Burnfield	\$0.00	\$0.00	\$35.00	\$10.00	\$45.00
Cairnfell	\$10.00	\$40.00	\$90.00	\$0.00	\$140.00
Dismal Fogs	\$20.00	\$45.00	\$0.00	\$0.00	\$65.00
Dragons Bay	\$5.00	\$35.00	\$95.00	\$35.00	\$170.00
Innilgard	\$120.00	\$310.00	\$160.00	\$435.00	\$1,025.00
Krae Glas		\$285.00		\$95.00	\$380.00
Mordenvale	\$165.00	\$0.00	\$230.00	\$0.00	\$395.00
Myn Kyn	\$0.00	\$20.00	\$0.00	\$0.00	\$20.00
Okewaite	\$0.00	\$35.00	\$285.00	\$15.00	\$335.00
Polit	\$145.00	\$240.00	\$635.00	\$140.00	\$1,160.00
Riverhaven	\$120.00	\$201.00	\$616.00	\$90.00	\$1,027.00
Rowany	\$25.00	\$1,305.00	\$85.00	\$130.00	\$1,545.00
St Florian	\$30.00	\$118.00	\$10.00	\$50.00	\$208.00
Stegby	\$10.00	\$45.00	\$55.00	\$35.00	\$145.00
Stormhold	\$70.00	\$190.00	\$285.00	\$265.00	\$810.00
Stowe	\$0.00	\$0.00	\$25.00	\$55.00	\$80.00
Torlyon	\$0.00	\$80.00	\$0.00	\$0.00	<b>\$80.00</b>
Willoughby Vale	\$15.00	\$0.00	\$0.00	\$0.00	\$15.00
Ynys Fawr	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Aneala	\$110.00	\$165.00	\$220.00	\$170.00	\$665.00
Aneala - Aarchenfeld	\$125.00				\$125.00
Aneala - Vallon d'or		\$25.00			\$25.00
Aneala		-\$30.00		-\$40.00	-\$70.00
Event Levies Owing					<b>\$9,375.00</b>
Event levies Received					<b>\$7,649.00</b>

## Appendix 1 : Income Tax Review

### Income tax Status review for self-assessing non-profit Organisations

The Society of Creative Anachronism Ltd (SCA) has reviewed its income tax status and believes that it falls under the tax exempt entity of "Cultural Organisations".

#### Cultural Organisations – Assessment Checklist

1. The SCA Ltd is a self-assessed not for profit organisation. The Constitution of the Society for Creative Anachronism Ltd, contains clauses reflecting the ATO requirements for Not for Profit Status as of the 1/1/2013.
2. The SCA Ltd is established for the Encouragement of Art – Specifically pre 1600 History. Including but not limited to:
  - I. Fighter or dance practises in which participants learn the medieval arts of combat or dance.
  - II. "A&S nights" in which members collect to undertake individual medieval art projects, generally with one-on-one mentoring in a craft or more formal classes in medieval arts.
  - III. Events - in which attendees dress in medieval clothes and participate in medieval activities such as combat, dance and music, arts, eating medieval food.
  - IV. Special interest groups devoted to the furtherance of a particular medieval art- e.g. a choir, a calligraphy group, a sewing group, a cooking group, a brewing group, a woodwork group - all undertaking attempts at medieval arts and crafts.
  - V. Classes - in which a formal class instructing in a topic related to medieval life is held
  - VI. The SCA encourages training, performing, displaying, studying, judging, critiquing and providing information on pre 1600 history and arts.
3. The SCA Ltd is not a Charity.
4. The SCA Ltd meets at least one of the three tests required by the ATO specifically: Physical presence in Australia Test
  - I. The SCA Ltd has a physical presence in Australia.
  - II. The SCA Ltd pursues its objectives and incurs its expenditure principally in Australia.

Sandra Watkins

Corporate Treasurer

Society for Creative Anachronism Ltd (AU)