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FINANCIAL REPORT 2020

Overview

In 2019 the APSI recorded an audited loss of \$90,558. This result was due in part to the spending of savings from previous years profits in 2019 which is accounted for as a loss in this year's financial statement, the resignation of two long serving staff members and associated employee payouts, an increase to wages and allowances for trainers and the decision to postpone any price increases to APSI products.

Income

Revenue for the financial year increased by 3.5% to \$836,889. The two largest contributors to income, course and exam revenue combined, increased by 4% to \$584,344. Membership income grew by 10% to \$155,699. Prices have not been increased since 2015 and the growth in revenue is due to increased participation in APSI products.

Expense

The most significant factor that contributed to increase in expenses associated with APSI Operations were employee costs. These increased by 18% to \$473,324 and was primarily due to the increase in trainer wages and changes to the employee meal allowance. In 2018 trainers received a meal reimbursement up to a capped amount. This was administratively expensive to process and was changed to a fixed allowance with an increased amount for 2019.

The departure of two long serving staff members cost the association not only significant corporate knowledge and the ongoing strong relationships cultivated with key stakeholders. The two members were entitled to \$29,000 in payments for accrued long service leave and annual leave.

Interski expenses as expected were a major contributor to the loss for the financial year. \$72,000 in savings from profits earned by the APSI and funds raised by the Demo Team in previous years was spent sending the Demo Team to Interski in Bulgaria.

Accommodation for travelling trainers is continuing to increase year on year. The cost of accommodation increased by 92% to \$49,454.73. The APSI office accommodates travelling staff in NSW but this saving was not available for the three largest events of 2019, all run in Victoria. APSI exams in Japan are another large event and are no longer subsidised by Japanese ski schools which now translates directly to increased cost to APSI. These large events accounted for \$23,846.14 of the total losses.

Due to an error by the APSI's workers compensation insurer, the APSI paid for both its 2018 and 2019 insurance in 2019 amounting to \$13,492.70. The premium also increased by 24% due to a significant injury sustained by a staff member.

The APSI invested \$5,000 in social media marketing advice which has been put into practice in the lead up to the current season. \$33,962.25 was spent on printing Alpine and Snowboard manuals to cover the APSI up until the new manual is published. While this was a significant up-front expense, this bulk purchase saved the association \$4,677.84. The Snowpro magazine is a valued member benefit and cost the association \$6,551.57 to publish in 2019.

2020

It is highly likely that due to the COVID-19 Pandemic the APSI will make a loss in 2020. For the year to 30th April revenue is down 40%. The Board postponed any price increases in 2020 in recognition of the difficult financial pressures that members are facing as a result of the Pandemic.

The Board has secured the Jobkeeper Allowance for the three Office staff, the NSW Small Business COVID-19 Support Grant and the Boosting Cashflow Payment for Employers. This has provided significant support and stabilization of the APSI accounts during these challenging times.

The Board has evaluated various business scenarios arising from the possibility of a disrupted season. As part of contingency planning, the Board has modelled best and worst case scenarios for the 2020 season and through prudent cost reduction and the provision of Job Keeper allowance, APSI's financial risk has been significantly reduced. To provide context, considering we have reduced revenue of 40%, our current year to date loss is \$17,000. At the same time last year our year to date loss was \$88,600.09. The Board continues to evaluate the Government advice and the directional plans of the resorts and is ready to adapt at short notice as the environment changes.

The APSI is continuing preparations for a restricted season of training and accreditation and will be ready to deliver courses and exams to members once Government Regulations allow.

The APSI Board