



FINANCIAL REPORT FOR JULY 2019 TO JUNE 2020

prepared by

AJ NEL

INTRODUCTION

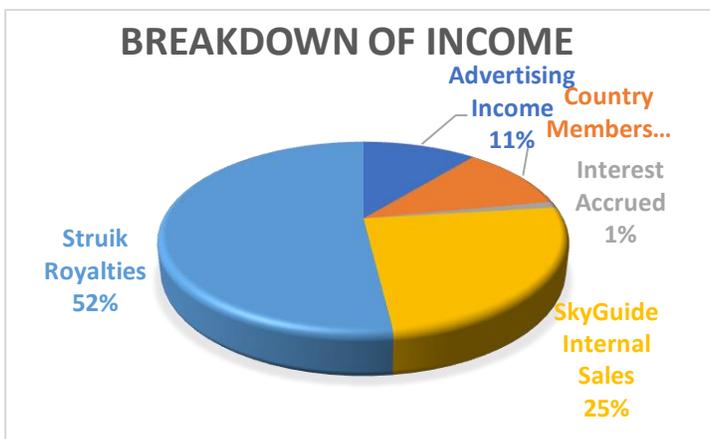
At the outset, a brief unaudited income and expenditure statement of the income and expenditure for the 2018 to 2019 (2019) and 2019 to 2020 (2020) financial years is provided. This is done to provide an easy overview of the comparative years. The various material line items are discussed in more detail, through graphs and notes under the subsequent headings.

	2020	2019
Advertising Income	R12,500.00	R9,885.00
Country Membership Fees	R12,615.01	R12,195.00
Interest Accrued	R1,199.93	R1,760.00
Sky Guide Internal Sales	R28,610.00	R17,077.00
Royalties	R59,342.10	R86,317.00
Total Income	R114,267.04	R127,234.00
Accounting Fees	R8,148.50	R7,519.20
AGM Travel Expenses & Accommodation	R16,768.50	R31,245.00
Banking Costs	R161.50	R342.00
Medals and Certificates & Awards	R1,800.00	R11,692.00
Sky Guide Editor Cost	R41,508.00	R41,508.00
Honoraria	R16,055.68	R15,321.00

Sky Guide Cost Price	R21,600.00	R23,044.00
Sky Guide Stationary and Posting	R1,569.16	R1,499.00
Scholarship Payment	R40,000.00	R40,000.00
Total Expenses	R147,611.34	R164,651.00
Net Loss	-R33,344.30	-R37,417.00

INCOME

Annual income has decreased with approximately R 13 000.00 over the comparative periods. A number of factors played a role in the decrease in total income. It is however noteworthy that both internal Sky Guide sales and advertising income increased with approximately R 10 000.00 and R 3000.00 respectively.



It is however clear that advertising income makes up only 11% of total income and internal Sky Guide sales approximately 25% of annual income. The largest portion of annual income is derived from Royalties.

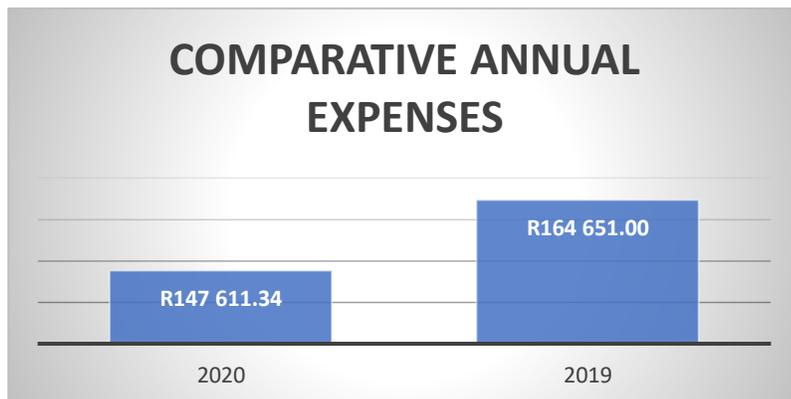
Royalties, year on year is substantially lower. Specific regard should further be had to the

fact that royalties are made up of two components, i.e. royalties derived from Sky Guide sales through Randomhouse Penguin and royalties derived from SABINET access to MNASSA. All MNASSA royalties are used as an honorarium which is paid to the editors and compilers of MNASSA. This is done in consequence of a decision taken some years ago to ensure that MNASSA remains in publication and remains an important academic footprint for the ASSA. In both years royalties derived from

MNASSA access amounted to approximately R 15 000.00. If MNASSA royalties is thus excluded from royalties, it is clear that royalties derived from external Sky Guide sales decreased with approximately 40%. Though difficult economic times will account for a portion of the decrease in sales, it is assumed that the lack of an electronic version of the Sky Guide also contributes to the mentioned loss in sales. As such a strategic decision was taken to ensure the publishing of an electronic version of Sky Guide as from 2021 and discussions to this effect is currently underway with Randomhouse Penguin.

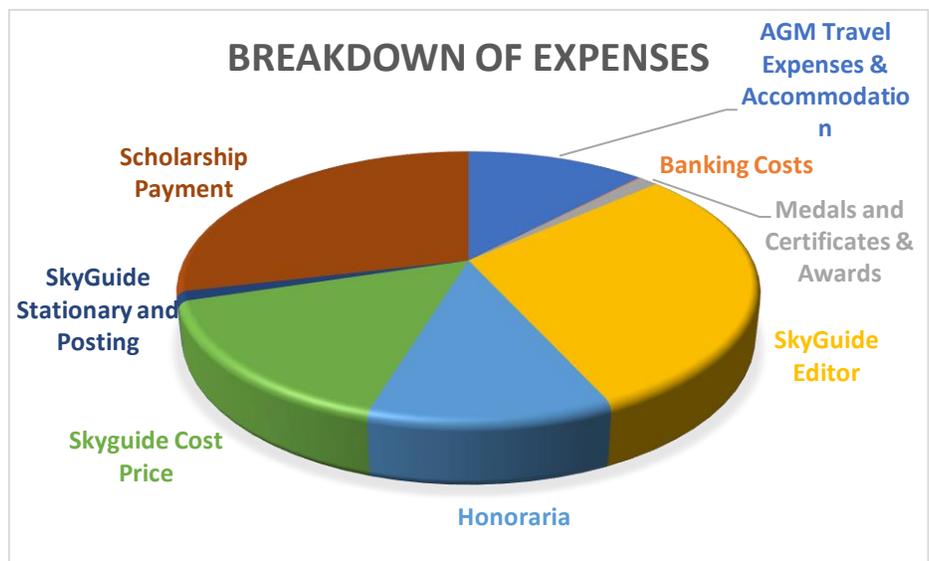


EXPENDITURE



The Society's, as stipulated during the previous AGM was to decrease year-on-year expenditure in order to prevent the Society ending the year in deficit. It is clear that expenditure was decreased with approximately R 17 000.00, but given the large decrease in royalties, the Society remained in deficit.

Historically, the brunt of expenditure is related to the production of the Sky Guide and the paying out of Scholarships. Given the fact that scholarships are intended to be paid through investment income coupled with the fact that the COVID-19 epidemic destroyed all gains derived from the investment, the Society was compelled to use other sources of income in order to ensure the payment of



COMPARATIVE MEDALS AND AWARDS



scholarships. Given this factor, a decision was taken not to pay out any scholarships for the 2021 year, so as to consolidate investment revenue and to prevent the Society from remaining in deficit. A further principal aim was to reduce travel expenses associated by the attendance of the AGM by officials. This has been substantially achieved and given the fact that the 2020 AGM was done via video

conferencing, it is foreseen that this cost will be further reduced during the 2021 year.

The cost in relation to the issuing of awards by the Society was also reduced. This was mostly the consequence of the society not being required to produce any medals during the 2020 year. It is however foreseen that this cost will be incurred every two to three years.

COMPARATIVE TRAVEL EXPENSES



COUNTRY MEMBERSHIP

There are currently 127 country members compared to 142, 112 and 111 country members in the two preceding years.

4 new country members joined the Society during the current period, compared to 23 and 22 in the preceding years.

Country membership cost for the 2020 to 2021 year will be set at R 85.00 and country members will receive a reminder email by mid-August.

CONCLUSION

Income derived from royalties decreased substantially and needs to be addressed by inter alia the publishing of the Sky Guide in ePub format. The preference is to ensure the availability thereof for the 2021 Sky Guide.

The failures by the Sanlam Glacier investment was amplified by COVID-19 and any returns on the investment has been totally destroyed. This might take up to a year to recover and as such no scholarships can be paid for 2021.

The goal of paying scholarships was achieved but led to reserves being utilised for said purpose.

The goal of cutting of expenses was achieved with around R 25 000.00 in expenses being cut. Unfortunately, the decrease in royalties, totally destroyed the benefit derived from the cost cutting.

Bar for projects and bursaries, no substantial expenses are foreseen for the 2020/2021 year.

ooOoo