



## **Rapport du Trésorier d'Alliance Française de Christchurch Annual General Meeting – le 4 mai 2019**

The past year has been a very busy one for Alliance Française de Christchurch (AFC) as we have consolidated in our new premises. My report covers a period of 15 months, from 1 October 2017 to 31 December 2018, because we have aligned our financial year with the academic year. The key financial developments during the period were a rapid expansion in lesson income, an increase in expenditure associated with our new premises, and the ongoing refurbishment of our new home.

The significant increase in lesson income was particularly pleasing. Most importantly, this means that we helped more people of Christchurch experience French language and culture. From a financial perspective, income from lessons was almost 80% of our total income so rising lesson income provides greater financial stability. During the 15 months to December 2018, our lesson income reached \$250,000.

During the past year, AFC earned a small financial surplus. We are well positioned for further expansion in the coming years. From a financial perspective, the priorities will be to increase lesson income further, to obtain additional grants to finance further building improvements and to pay off our commercial loan.

### **A Rapid Rise in Lesson Income**

Lesson income for the 15 months to December 2018 was approximately \$250,000. Even after adjusting for the fact that this income was generated over 15 months rather than a normal 12-month period, this represented annual growth of more than 30%. This growth is extremely pleasing and reflects the hard work of Morgane and the whole AFC team. The rapid growth does however need to be interpreted in the context of our move to our new home – 2017 was a year of maintaining our income whilst gearing up for future expansion and this year has seen a payoff from that work. Since moving to Cashel Street, our lesson income growth has been near 15% per annum, which is similar to the rates of growth during the five years prior to moving premises.

There were many reasons for moving to Cashel Street. From a financial standpoint, one of the key advantages was that these premises offered us plenty of scope to grow our student numbers, class sizes and cultural events whereas we were already at capacity in our previous premises. It has been gratifying to see this growth occur.



### **Increased Expenditure on Wages and Premises**

Associated with the increase in lesson income was a rise in expenditure on wages and salaries as we taught more classes. Wages and salaries for the 15 months to December 2018 were approximately \$215,000 which represented almost 70% of our total expenditure.

Associated with our new larger premises have been increased expenditures. Building related expenses were approximately \$40,000 in the 15 months to December 2018, which is equivalent to \$15,000 per annum higher than during the final years at our previous premises. These expenses include rates and maintenance as well as interest on our commercial loan.

### **Ongoing Refurbishment at Cashel Street**

A financial priority during the past two years has been to obtain grants and donations to complete the refurbishment of our Cashel Street premises. Money has been provided to us by various donors and during the 15 months to December 2018, we received grants and donations in excess of \$40,000.

These funds have allowed us to invest in equipment for our classrooms, to build up the médiathèque and to begin the fit-out of the multi-purpose function room.

### **Our Financial Performance in 2017/18**

Our lesson income exceeded expenses on wages and salaries by approximately \$35,000. Cultural events are a core part of our role as a centre of French language and culture in Christchurch. They also raise the awareness of AFC in the community. When viewed solely from a financial point of view, however, they are not a generator of significant income.

Our surplus from lessons together with other income such as membership fees and the sale of books covered the bulk of our operational expenses but did not fully fund our expenses. When donations and grants were added AFC recorded an overall small surplus during the year.

### **Our Future Priorities**

We are aiming to continue growing lesson income. A repeat of the stellar growth of 2018 would be welcome, but we are more conservatively targeting lesson income growth of close to 10% per annum.



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I believe AFC is well placed to achieve this aim with our ever-improving facilities and the strong team of staff. Higher lesson income would provide funds for further investment in our premises and staff and would allow us to pay back AFC's commercial loan ahead of schedule.

There are further building refurbishment projects that we wish to proceed with when the funding is available. In addition to growing income from lessons, we will continue to seek grants and donations to assist with these projects. We have already obtained some funding for our multipurpose function room and will continue to approach potential donors.

The commercial loan that AFC has taken with ANZ originally had a fifteen-year term so there are now thirteen years remaining. We are aiming to pay this back at a more rapid pace with income growth generating surplus funds.

In summary, the last year has been another busy and exciting one for AFC. We have consolidated in our new premises and continue to have ambitious plans. In the coming years, we wish to expand our services further whilst ensuring that our financial position remains sound.

Kelly Tonkin

Trésorier de l'Alliance Française de Christchurch