



Financial Report

2024

TREASURERS REPORT

The association had positive membership growth in the 2024 year. We encountered isolated cost challenges and lower than expected merchandise income along with the Mardi Gras grant that did not eventuate, however our financial health remains favourable with a positive outlook.

Michael Watson & Peter Rayner
Treasurers in 2024
Sydney Leather Men Inc.

Presented 3rd May 2025

www.sydneyleathermen.com

OVERVIEW

- The financial health of the organisation remains strong, though it's important to note that aligning the financial year with the membership year did see expenses exceed income in the second half of the year. While this was anticipated due to the timing of major events and membership sign up periods, it does highlight the need for improved financial reserve planning in future years. Going forward, careful budgeting of reserve funds will help ensure we maintain a healthy level of cash flow and adequate expense reserves, covering the essential costs of doing business while securing long-term sustainability.
- As part of the establishment of Sydney Leather Men Inc., funds \$1,472.95 were transferred into the new SLM bank accounts from the original unincorporated group to reflect prior financial activity. Additionally, an amount of \$1,000 was transferred from Boys on Bikes to SLM, representing a designated reserve held to cover costs associated with Mardi Gras participation, ensuring continuity and financial accountability.
- The association is pleased to report a profit \$2,027.66, a milestone that reflects the growth and success of our membership program. The continued support of financial members has been instrumental in strengthening our financial position and enabling us to deliver more to the community.
- The association contributed \$3,462.25 during 2024 to titleholder travel and events, with \$2,285.00 of this alone paid to our titleholder Timo (Sydney Mr Leather 2024). Its expected that a minimum of \$1,140 was then in turn donated by Timo to Bobby Goldsmith Foundation maintaining his commitment of 50/50.

PROFIT & LOSS

INCOME

- Boys On Bikes 2025 Registrations \$630.00
- Interest Income \$0.04
- 2024 Membership Revenue \$3,880.00
- Revenue - Other \$5,082.75
 - Grant & Unincorporated Balance Transfer \$1472.95
 - BOBS Reserve Balance Transfer \$1000.00
 - Cash Deposit From Events \$495.00
 - SMsL24 Pins Reimbursement \$459.80
 - Titleholder Event SMRL24 Aug-24 \$1655.00
- Revenue - Event Pre Payments \$3,613.23
- Revenue - Raffles \$2,441.52
- Sales - Merchandise \$3,087.96
- Sales - Event Tickets \$1,552.00

Trading Income \$20,857.50

- Cost of Goods Sold \$4081.64

Gross Profit - \$16,205.86

PROFIT & LOSS

EXPENSES

- Member Bar Tabs \$573.06
- Boys on Bikes (Mardi Gras 2025) \$789.27
- Design and Artwork \$120.00
- Other Expenses \$3,462.25
 - Qtopia - \$200.00
 - Iz Connell - SMsL23 - \$100.00
 - Twenty10 - \$70.00
 - Lani Draheim Travel - SMsL - \$300.00
 - Timo Rissanen Travel - SMr1 - \$2,285.00
 - Polished Man - \$157.25
 - Nick Crook Travel - POTH23 - \$250.00
 - Igor Rudar - SMr123 Pins - \$100.00
- Event Running Costs \$1,515.46
 - Hyper Karting Event SLW24 \$1248.00
- Financial Software & Hardware \$478.00
- General Expenses \$125.99
- Public Liability & Association Insurance \$1,808.13
- Mardi Gras 2025 Liberated in Leather Float \$174.50
- Leather Feast Events \$3,534.85
- Printing, Stationery & Postal \$164.24
- Set Up Costs \$500.00
- Square Processing Fee's \$89.86
- Stripe Processing Fees \$259.89
- Website Expenses \$582.70

Total Expenses \$14,178.20

PROFIT & LOSS

NET PROFIT

Net result: surplus \$2,027.66

BALANCE SHEET

- Assets:
 - Cash in Bank \$2,027.66
- Liabilities:
 - Nil

Net Assets - \$2,027.66

TREASURERS COMMENTS

- Due to subscription level constraints within XERO, we are unable to record the set-up costs of SLM prior to incorporation as an incurred liability. However, this financial year, significant headway was made in reducing the amount loaned to the association by the founding members to cover initial expenses. This is shown in the expenses as 'Set-Up' costs. The set up cost liability at the start of the financial year as \$3,263. During 2024 the liability was reduced by \$1,806, which was the \$500 payment under Set-Up expenses along with further \$1,065 in fundraising income for Inquisition and Eagle BLUF which went direct to paying off the set up debt and a further \$241 given in merchandise as payment. As at the end of the financial year, \$1457 remained outstanding to be repaid.
- While it may be beneficial to extend the subscription on XERO to accommodate the outstanding liability from set up costs it was finalised early FY25 and again will be recorded as 'Set-Up' expense in 2025 and can be explained in the financial report.
- Mardi Gras approved providing a grant for \$5,000 to support SLM in 2023 and we received the first half, however ongoing communication issues or lack of communication and concerns resulted in the committee agreeing to walk away from its Memorandum of Understanding (MOU) with Sydney Gay & Lesbian Mardi Gras in turn forfeiting \$2,500. Its this initial half of the grant that forms part of the stated income of 'Grant Balance Transfer \$1472.95'. In 2023 SLM purchased a Membership Card Printer from the initial grant money worth \$1,358.95 to facilitate the 2024 member program.

TREASURERS COMMENTS

- Looking ahead, there is a need to carefully monitor contributions made by SLM to worthy causes, ensuring they are balanced with the organisation's financial sustainability. We also recognise the importance of providing stronger support to our titleholders, particularly in assisting with travel costs associated with representing our community.
- A key watch point is the likely necessity to pay upfront for merchandise in order to achieve better profit margins. While this presents an opportunity, it also carries a risk if stock doesn't sell or sizing options are poorly selected, reinforcing the need for thoughtful planning and forecasting.
- Membership remains our most important growth opportunity and I encourage a continued push on membership growth. The 2025 financial year measures have been put in place that will limit income from raffles in exchange for membership benefits, this will need to offset by increased income from membership growth.
- The membership renewal system will require focused management in future years to ensure renewal members are charged correctly for the upcoming membership period, following from the committee's decision on subscription fee's for the next calendar year. This year was the first time the system was used during a renewal phase, it performed below expectations, highlighting the need for closer oversight to ensure a smoother and more reliable renewal process and ensuring correct renewal returns. We estimate lost income due to the member renewal charging error to be ~\$200.

TREASURERS COMMENTS

- Merchandise sales and income remains lower than we had hoped, The cost of goods was \$4,081.64 while we made \$3,087.96. 2024 we moved to a drop ship arrangement where we no longer hold stock, however we hold \$816 in sale value of SLM pins. This leaves a potential loss of \$117.68 in 2024 on merchandise. Introducing limited edition and new merchandise offerings continues to ensure we have a small stream of income however the profit margins on merchandise is extremely low and averages 10% or less. It needs to be considered that merchandise like shirts offer immeasurable advertising and buying in bulk offers better margins.
- The Leather Feast events operated under a pre-payment model, where attendees paid SLM in advance for their pre selected meal, and SLM then settled the final bill using pre-paid funds. On several occasions, the final bill varied slightly from the total collected, resulting in a small financial gain. Across these events, SLM paid out \$3,534.85 while receiving \$3,613.23 in attendee payments with a gain of \$78.38.
- Fundraising by performing Coat Check or Bag Drop facilities will be an effective supplement to our income stream in 2025 and facilitate community initiatives.
- Due to our classification as a tier 2 association we are not mandated to have our finances audited. Tier 2 audits are not required unless income of \$250,000 or greater. Ad-hoc audit with one year of operation as an association would be unnecessary however we recognise in future years it may be good practice.