Directors and Editors Guild of Aotearoa New Zealand
Treasurers Report - Financial statements for the year ended 31 March 2026 for the Annual General Meeting on 19 September 2026

We're presenting today the Guild's financial statements for the year ended 31 March 2026 – firstly noting the format of these financial statements is different to previous years. Along with the requirement for the Guild to reregister with the Companies Office under the Incorporated Societies Act 2022, all not-for-profit organizations now need to prepare their financial statements under new accounting standards, being a Performance Report with a specified format and disclosures – however, the underlying accounting principles remain the same.

Net result

Starting with the Statement of Financial Performance (or Profit and Loss, previously) on page 6, the 'bottom line' result is the Guild had a net deficit before tax for the year of $17,775, compared to the surplus before tax for the 2025 financial year of $22k. However, this result was flagged at last year's AGM as a 'timing' issue, as the Guild had some planned/required expenditure in the 2026 financial year (plus a decline in membership income) with a projected deficit of approx. $14k, which was effectively covered from the 2025 surplus i.e., across the 2025 and 2026 years there was a combined surplus of $4.5k.

Income

Note 1 on page 11 at Note 1 breaks down the Guild's income for the year. As a key Above the Line (ATL) industry organisation, the Guild received Core Support Funding from the NZ Film Commission (NZFC) of $100k (up from $85k in prior years) which contributes towards the Guild's overheads i.e. our core team running the Guild on a day-to-day basis, plus office rent and other overheads.

The Guild also received funding from the NZFC's Industry Development Fund for the Guild's professional development workshops and events that the Guild provides (but significantly less than in previous years due to more competition for director development funding from other organisations and individuals - and also noting the NZFC is only funding professional development for ATL talent now i.e. not editors; and the NZFC's focus is on directors in advanced development, rather than emerging directors), plus separate funding for the ongoing Director Attachment and MIFF Accelerator initiatives. Funding was also received from the NZ CTU for SIWA education.

These professional development activities don't directly impact on the Guild's result for the year. Everything the Guild spends in relation to these activities is covered by the funding received. The total Government funding (excluding the Core Support funding) plus the CTU funding totals $115,069 and this covers exactly the costs incurred during the year for these initiatives, per the $115,069 amount you can see in Note 2 "Expenses related to service delivery".

The funding received during the year for these initiatives but unspent at the balance date of 31 March is treated as 'income received in advance' and these excess funds are held in the Statement of Financial Position (or Balance Sheet) under the heading 'Deferred Revenue'. In this way, we only recognise this funding as income as and when the initiative's events are delivered and the associated costs are spent. At 31 March 2026, the Guild had $290k in Deferred Revenue which will be recognised as income and matched against expenditure in the Statement of Financial Performance (P&L) in the relevant year the future events are held.

Note 1 also shows there was a drop-off in interest income and in Memberships income of approx. $10k (due to cost of living pressures/lack of work in the industry and some members moving overseas); income from issuing letters of non-objection to international productions held steady from the previous year at around $12k - finally here, the Other Income of $5k represents sponsorship income from our accounting firm, Acclime New Zealand, which is offset by the Accountancy Fees expense of the same amount.

Expenses

On pages 11-12 is the breakdown of the Other Expenses for the 2026 year. Most of the expenses here are of a similar level to the 2025 year - while the expenses flagged at the last AGM which make up the majority of the year's deficit are the Consulting Fees of $8,500, being engagement of a PR film, Blacklands, in relation to the directors' copyright issue and an increase in Sponsorship, being new sponsorship of the NZ Screen Awards.

Summary and tax

While the Guild had an accounting deficit before tax for the 2026 year, it has taxable income of $9,560 for the year, with a resulting income tax expense for the year of $2,667 (as per page 6), giving the Guild an after-tax deficit of $20,442 (again, largely covered by the 2025 surplus). The final tax liability for the year is $2,184, as per Note 6 on page 13.

As also explained in the Notes to the Accounts, the Guild is deemed to be a 'mutual association' and therefore its income and expenses attributable to transactions with its members are not subject to tax e.g. the subscriptions income the Guild derives from its members is not taxable, and the expenses the Guild incurs in relation to the various activities with its members are not deductible. This means the Guild is only taxed on its net income from outside its circle of members, being issuing Letters of Non-Objection (after deducting the allocable expenses incurred in earning that income) and interest received, plus some non-deductible entertainment expenditure.

Statement of Financial Position (Balance Sheet)

This report on page 8 represents a 'snapshot' of what the Guild owns (its assets) and what it owes (its liabilities) as of 31 March 2026.

The significant funds held in the bank of $342k largely consist of the unspent funding received, being the Deferred Revenue amount of $290k in the Current Liabilities section. You'll see at the bottom of the page that the Guild has net assets or equity of nearly $52k, being a decrease from $72k in the previous year (which is due to the after-tax deficit for the year). This represents the Guild's 'after tax reserves' - in other words, if the Guild had to close down on 31 March 2026, after realising its assets and paying all its debts (including paying back the unspent funding of $290k) it would have had $52k of after-tax funds remaining i.e. in line with the $50k amount flagged at the 2025 AGM.

Going forward from 1 April 2026, the NZFC Core Support funding of $100k is in place again for this 2027 financial year, and the Guild has applications in with the NZFC for industry development funding of up to $170k for various initiatives (but the outcome is not guaranteed).

The budget for the 2027 budget projects more of a 'break even' situation for the year, which would mean the reserves should remain at about the $50k level – however, the challenge remains for the Guild, as it does with all screen industry guilds and organisations, to continue to hold/increase its membership income and find new sources of income, in an environment where the NZFC's funding is diminishing every year and the funding for talent development and training becomes more competitive.

Phil Gore – Treasurer, DEGANZ