**Treasurer’s Report – Members Committee Meeting 25 March 2021**

**February Results**

Trading throughout February declined significantly. The table below sets out a summary Profit and Loss for February 2021 as compared to January 2021:



Notes:

1. Shop trading declined significantly after a good month in January. In February, the daily sales average was $x, compared to January daily sales average of $x. Reasons for this decline include:
   1. Historically, February has been the worst trading month for the Co-op. The Co-op made a loss in both February 2019 and February 2018 despite $85,000 in sales each of those periods.
   2. There appeared to be confusion in the membership base about whether the Co-op was still open. Mixed messaging about the closure of the store adversely affected the amount of members who were willing to come in and shop.
   3. The push throughout January to have members “stocking up” to help keep the Co-op alive meant that a lot of members had done a month’s worth of shopping in January, and therefore did not need to shop extensively throughout February.
2. Administrative expenses increased in February primarily due to the annual leave loading issue. Additional one-off expenses were incurred for legal fees, bookkeeping fees and ATO fees.
3. February results show that Rent almost doubled in the month. However, this is only a timing issue which saw the March rent invoiced in February.
4. The adjusted net profit has been calculated by adding back the annual leave loading payments and additional rent payments which were abnormal. The adjusted net profit shows that the underlying performance of the store is actually profitable, it was the abnormal payments which contributed to the loss which was recorded.

**March Trading Update**

Daily shop sales continue to trend below the $3,000 per day mark. However, this is manageable so long as the restricted spending measures are kept in place. The chart below sets out the daily sales figures for February and March 2021:

While the low daily sales figure is cause for concern, we are still breaking even. The daily sales are trending in the right direction for March, increasing to $2,185 from $2,092 in February. There are a number of opportunities which will add revenue to the Co-op, including:

1. Increased member engagement
2. Grants
3. Workshops and events
4. Veggie boxes

**Budget for 2021**

In light of the above sales figures, I have updated the 2021 budget for the new daily sales trend (budget attached to this report). This is largely for illustration purposes to show that if the daily sales trend continues at $2,185, the Co-op will make a loss of $27,552. If the directors loans are stretched into 2022, then the Co-op will break even.

Readers of this report should keep in mind that the budget is prepared on the basis that the only revenue for the remainder of 2021 is from shop trading. The four revenue opportunities listed above have not been factored in and it is expected that these initiatives will add incremental revenue to the Co-op.

**Feedback on Rent Proposals**

I received a call from Belle Property on 22 March 2021. The landlord is requesting that we make a longer commitment to the new lease. They have asked us to commit for 2-3 years. Given the position of the Co-op I would recommend that we move forward with a 2+2 lease on the same terms as previously put forward on the 1+1 lease proposal. To be discussed and confirmed by the MC at the upcoming meeting.