**Treasurer’s Report – Members Committee Meeting 22 April 2021**

**March Results**

Trading throughout March was similar to February, although shop trading slightly increased due to additional calendar days in the month. The table below sets out a summary Profit and Loss for March 2021 as compared to February 2021:



Notes:

1. Daily shop trading figures decreased slightly throughout March ($2,293.18 in February vs $2,195.40 in March). Refer to below April trading update which details recent shop trading trends.
2. Administrative expenses were again over the $3,000 in the budget due to accounting fees associated with the annual leave loading calculations.
3. Rent for April was paid in March and recorded as an expense in the above accounts (i.e. rent should be zero in March due to two rent payments in February).
4. In general, the major cost increase throughout March was cost of goods sold. This is due to timing issues with ordering – ordering is done at the start of each week and in March, five week’s worth of orders were placed. In April, we should see the cost of goods sold back to normal levels and a healthy profit (hopefully). After discussing with the Co-managers, it seems that COGS for April will be under $35,000. If all other things remain equal (including shop trading and operating expenses), then we should see a profit of around $10,000 for April.

**April 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 table below sets out the average daily shop sales by month since the start of the year:

|  |  |  |  |
| --- | --- | --- | --- |
| **Month** | **Total Sales ($)** | **No. Trading Days** | **Average Daily Sales ($)** |
| January | 87,807.56 | 28 | **3,135.98** |
| February | 64,209.01 | 28 | **2,293.18** |
| March | 68,057.38 | 31 | **2,195.40** |
| April (1st - 18th) | 46,016.95 | 18 | **2,556.50** |

The daily sales figures are trending in the right direction for April, increasing to $2,557 from $2,195 in March. I have discussed these improvements with the Co-managers who offered two potential reasons for the improved performance:

1. Staff have started opening the front door to the shop to make it more inviting for passers-by to walk into the shop;
2. The plant and bake sale may have helped to reengage some of the members who haven’t been shopping at Alfalfa House; and
3. Staying open until 6:30pm has allowed more members to shop who were otherwise being turned away when we closed at 6pm – this is backed up by analysis of trading throughout April:

|  |  |
| --- | --- |
| **Day** | **18:00 - 18:30** |
| Monday | 366.45 |
| Tuesday | 1,622.11 |
| Wednesday | 735.36 |
| Thursday | 489.08 |
| Friday | 874.27 |
| Saturday | NA |
| Sunday | NA |
| **Total** | **4,087.27** |

**Budget for 2021**

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 $2,557, the Co-op will make a operating profit of $113,807 (i.e. before AL loading and directors loan repayments).

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.

**Update on Lease**

Terms for the new lease have been agreed with Belle Property. Belle Property has instructed their lawyers to draw up a lease agreement for our approval, and we are currently waiting for a copy of the same.