

SEPTEMBER NUMBERS / Dashboard

We recorded \$92.4K in sales (vs. \$103.2K last year vs. \$116.8K the year before).

We show a net loss of around \$3.7K for the month. Note that: (i) we have significantly reduced purchasing (\$57.5K vs. \$67.9K a year ago); (ii) we recognized a Long Service Leave Expense of \$2.3K (something that should have been expensed in June, I believe); (iii) we booked no IT expense (this may be a change in our use of Phil); (iv) we've reduced our servicing of fridges from every 6 weeks to every 12 weeks.

I would note that we are currently trying to reconcile a -\$3.5K variance between the POS and our bank deposits. It looks like the variance may go into August's numbers or it may be an actual clearing account number.

We are continuing to deal with a bit of a cash crunch, but we are managing it by reducing our purchases and putting off some creditors. Notably, we are putting off paying (i) \$2K for the new sign, (ii) \$7K for Simon's annual leave payout - being paid out on a \$1k/mo plan; (iii) \$5K in PAYG withholding; (iv) Alinta's annual leave payout (\$1K?).

In addition, by March 31, 2017, we have to have spend the \$15,000 grant from Jenny Leong's office. We have spent only \$4K of this money, and the rest has been held (used) for our normal operations. So, in essence, we have borrowed that \$11K and must repay it (by spending it on our projects) by March 31st. Julia is working with a volunteer to reshape the grant to cover some past expenses and installation of the sign.

We currently have about \$5K on the fundraising website, about \$2K of which came through the till.

Julia said that the shop was really quiet in September due to school holidays and the chaos of Simon's departure. Julia also noted that we are having a few more stock outs but we are adjusting our expectations and advising customers to buy bulk order where it is helpful.

Maurice noted that, given the potential for disaster in September, staff has done a great job getting us through this period.

FORENSIC ACCOUNTING - JUNE

We have contacted our insurance agent (Watkins Taylor Stone), and they have contacted our insurer (AIG). AIG have appointed RGL Forensics to act as our fraud investigation specialist. Their fees, up to \$100,000, will be paid by AIG under an extension in the Management Liability Policy. I was unsure whether to go ahead with RGL Forensics as they are acting on behalf of

AIG; however, I have spoken with our book-keeper and with Paul Richie of William Buck (a forensic specialist at another accounting firm), and neither of them thought using RGL Forensics would be a big problem. In the US, these things are a bit different. Watkins Taylor Stone has assured us that our investigation costs will be covered under the policy whether or not we have a claim for theft/fraud. RGL Forensics is going forward with the investigation.

Jonny will set up August, July and June for review of POS vs. bank.

CASH FLOW BUDGET/FORECAST

Julia feels comfortable with her fortnightly budgeting at the moment. We do have some big one-off expenses coming up: insurance, floor repair, other spends under the grant. Julia is now budgeting about \$15K a week on stock purchases.

CASH HANDLING PROCEDURES/DEBIT CARD

Julia has implemented some new procedures for handling cash. Double counting (till and back-office) the cash as it comes out; safe drop slips are preserved and kept with the DBS; the deposit slips are noted to correspond with the business date.

At the moment, we do not have an efficient way to pay for small disbursements and purchases on the internet. In the past, we had a debit card (issued to Simon) and associated with one of our Bank Australia accounts (we have two accounts - Community Access and Expenses). Since we have made both of our accounts "two-to-sign", we can no longer have a debit card. BA will not open another account for us without charging us fees, except for a Savings account.

We have created single signer authority in the Bank Australia, Community Access Account 12046249 and requested that a debit card be issued that is associated with that account. This account will hold a small balance (\$1,500). We have created a new Savings account in which to hold our cash reserve.

INSOLVENCY ALARM

We discussed when we should be concerned about immediate insolvency. We all recognize the formal position that it is the point at which we would be unable to pay our debts as they come due. We looked at the current balance sheet, and we estimated that our current buffer is about \$15K. This figure is based upon the Current Assets less Liabilities; taking into account the \$15K grant money we owe back; basing inventory value at cost; estimating that inventory is at around the same value as at June 30.

BUDGET/FORECAST 2017 (Bike-racked)

Draft projection of fixed operating costs, etc.

<https://drive.google.com/open?id=1byLkaCe4IEQ8qcn1nmCEZKxnWL0bz7rsNjlr90vUyk>

FYE 2016 NUMBERS AND REPORT (Bike-racked)

Jonny will check in with Anthony on the FYE 2016 reports.

Profit & Loss

ALFALFA HOUSE COMMUNITY FOOD CO-OPERATIVE 1 September 2016 to 30 September 2016

	30 Sep 16	30 Sep 15	30 Sep 14
Income			
Cash Sales Deposited to bank	-	-	-
Daily Balance Sheet Variance	-	-	819
Debit/Credit Card Sales Deposited to bank	-	-	-
Sales - Ex GST	83,416	88,414	101,982
Sales - GST	12,513	15,060	16,982
Sales variance - POS to bank	(3,469)	-	-
Till Variance - Cash	-	(232)	(3,184)
Vouchers Claimed	-	-	236
Total Income	92,461	103,242	116,835
Less Cost of Sales			
Fruit & Vegetables	21,749	19,372	24,818
Groceries	35,787	48,572	48,071
Total Cost of Sales	57,536	67,944	72,890
Gross Profit	34,925	35,298	43,945
Plus Other Income			
Interest Income	60	96	191
Total Other Income	60	96	191
Less Operating Expenses			
Administration Expenses			
Accounting & Audit Fees	-	6,500	-
Bank Fees	3	-	62
Bookkeeping Fees	1,656	3,000	3,000
Computer & IT Maintenance	-	2,080	1,086
Computer Expenses	125	-	-
Depreciation	790	821	682
EFTPOS Fees	905	836	680
Equip. Repairs & Maintenance	660	683	-
Pest Management	-	-	200
Printing	75	204	-
Room Hire	193	352	143
Shop & Office Equip < \$1000	-	91	1,000
Software [62830]	-	70	64
Stationery & Office Supplies	70	201	456
Subscriptions	-	554	59
Travel Expenses	-	23	-
Total Administration Expenses	4,476	15,414	7,432
Communication Expenses			
Internet	64	64	64
Telephone Expenses	-	198	199
Total Communication Expenses	64	261	263

Profit & Loss

	30 Sep 16	30 Sep 15	30 Sep 14
Employment Expenses			
Annual Leave - Movements	1,683	1,626	(906)
Long Service Leave Expense	2,355	-	-
Superannuation Expense	2,554	3,400	3,300
Wages & Salaries Expenses	22,345	35,924	35,334
Total Employment Expenses	28,937	40,951	37,729
Facility Expenses			
Cleaning Expenses	1,218	1,836	514
Recycling Fees	-	100	273
Rent	3,259	2,762	2,702
Rubbish Removal	-	400	84
Shop Inspection	-	-	268
Water Usage	-	139	-
Total Facility Expenses	4,477	5,237	3,841
Insurance Expenses			
Workers Comp Insurance	727	-	2,000
Total Insurance Expenses	727	-	2,000
Total Operating Expenses	38,681	61,864	51,265
Net Profit	(3,695)	(26,470)	(7,128)

Profit & Loss

ALFALFA HOUSE COMMUNITY FOOD CO-OPERATIVE 1 July 2016 to 30 September 2016

	30 Sep 16	30 Sep 15	30 Sep 14
Income			
Cash Sales Deposited to bank	433	-	-
Daily Balance Sheet Variance	-	-	982
Debit/Credit Card Sales Deposited to bank	-	-	-
Sales - Ex GST	259,581	277,615	301,471
Sales - GST	38,933	46,274	47,144
Sales variance - POS to bank	(3,469)	-	-
Till Variance - Cash	-	(449)	(5,027)
Vouchers Claimed	-	-	136
Total Income	295,478	323,441	344,706
Less Cost of Sales			
Fruit & Vegetables	65,861	60,901	70,927
Groceries	121,696	153,090	158,718
Less: Closing Inventory	-	-	(58,710)
Opening Inventory	-	-	58,710
Total Cost of Sales	187,557	213,990	229,645
Gross Profit	107,921	109,450	115,061
Plus Other Income			
Interest Income	157	299	564
Total Other Income	157	299	564
Less Operating Expenses			
Administration Expenses			
Accounting & Audit Fees	-	-	(3,250)
Bank Fees	6	-	187
Bookkeeping Fees	7,288	9,000	9,000
Computer & IT Maintenance	1,220	3,040	3,386
Computer Expenses	125	-	-
Depreciation	2,422	2,531	1,990
EFTPOS Fees	2,508	2,458	1,800
Equip. Repairs & Maintenance	1,449	1,514	368
Fines and Penalties	-	104	-
Licences	117	427	113
Pest Management	291	291	545
Postage [62850]	-	-	33
Printing	75	204	140
Recruitment Fees	-	110	-
Room Hire	278	516	206
Shop & Office Equip < \$1000	1,494	445	1,294
Shop Refurbishment	-	-	250
Software [62830]	85	140	191
Stationery & Office Supplies	70	653	1,136

Profit & Loss

	30 Sep 16	30 Sep 15	30 Sep 14
Subscriptions	502	869	812
Travel Expenses	-	68	19
Website Hosting	-	-	133
Total Administration Expenses	17,930	22,369	18,351
Communication Expenses			
Internet	191	191	191
Telephone Expenses	127	574	283
Total Communication Expenses	318	765	474
Employment Expenses			
Annual Leave - Movements	4,255	2,107	3,894
Contractor Expenses	-	837	817
Long Service Leave Expense	2,355	-	(5,244)
Superannuation Expense	7,433	7,669	7,788
Wages & Salaries Expenses	78,520	81,244	80,057
Total Employment Expenses	92,564	91,857	87,311
Facility Expenses			
Cleaning Expenses	4,527	5,968	514
Electricity Expenses	-	1,852	(205)
Recycling Fees	-	400	505
Rent	9,777	7,973	8,158
Rubbish Removal	413	851	262
Shop Inspection	-	-	268
Water Usage	179	139	160
Total Facility Expenses	14,896	17,184	9,663
Insurance Expenses			
Business Insurance	-	4,262	986
Workers Comp Insurance	2,016	2,078	2,735
Total Insurance Expenses	2,016	6,340	3,722
Total Operating Expenses	127,724	138,516	119,521
Operating Profit	(19,645)	(28,766)	(3,896)
Non-operating Expenses			
Other Non-operating Expenses			
Suspense	-	222	-
Total Other Non-operating Expenses	-	222	-
Total Non-operating Expenses	-	222	-
Net Profit	(19,645)	(28,988)	(3,896)

Balance Sheet

ALFALFA HOUSE COMMUNITY FOOD CO-OPERATIVE As at 30 September 2016

	30 Sep 2016	30 Sep 2015	30 Sep 2014
Assets			
Current Assets			
Bank Account - Community - 249	14,960	38,536	38,104
Bank Account - Expenses - 250	16,401	10,510	56,010
Clearing Accounts			
Clearing - Cash	584	18,678	9,569
Clearing - Debit/Credit Card	4,426	3,887	4,560
Electronic Clearing Account	-	(205)	(116)
Total Clearing Accounts	5,009	22,359	14,014
Inventory			
Inventory	71,228	67,221	58,710
Total Inventory	71,228	67,221	58,710
Other Current Assets			
TFN Withholding Credits	-	354	354
Total Other Current Assets	-	354	354
Till Box			
Float Till Drawer	300	300	300
Front Till Change box	466	466	466
Total Till Box	766	766	766
Total Current Assets	108,365	139,746	167,958
Non-current Assets			
Containers & Scoops	4,459	5,247	6,172
Fixtures & Fittings	8,534	10,432	9,369
Improvements	10,515	12,701	-
Shop & Office Equipment	20,037	19,492	24,150
Software	1,434	1,912	2,548
Total Non-current Assets	44,979	49,784	42,239
Total Assets	153,343	189,530	210,197

Liabilities

Current Liabilities			
ATO Liabilities			
GST	(2,005)	(1,997)	-
ICA - ATO	-	3,180	1,755
PAYG Withholding Payable	3,066	1	1
Total ATO Liabilities	1,060	1,184	1,756
Employment Liabilities			
Annual Leave Provision	20,210	20,111	24,580
Long Service Leave Provision	5,953	9,710	-
Superannuation Payable	8,595	7,669	7,788

Balance Sheet

	30 Sep 2016	30 Sep 2015	30 Sep 2014
Wages Payable - Payroll	-	-	-
Total Employment Liabilities	34,758	37,490	32,368
Payables			
Trade Creditors New	42,746	45,442	43,920
Total Payables	42,746	45,442	43,920
Total Current Liabilities	78,564	84,116	78,043
Non-Current Liabilities			
Loan - Paul Spyris	-	-	(932)
Total Non-Current Liabilities	-	-	(932)
Total Liabilities	78,564	84,116	77,111
Net Assets	74,779	105,414	133,086
Equity			
Current Year Earnings	(19,645)	(28,988)	(3,896)
Retained Earnings	94,424	134,402	136,981
Total Equity	74,779	105,414	133,086

MANAGERS REPORT

ALFALFA HOUSE

SEPTEMBER 2016

25th October 2016

SALES

		Average Number Transactions	Average Daily Sales	Average Transaction Value
SEPT 2016	\$98 057	116	\$3268.57	\$28.10
AUG 2016	\$101 108	106	\$3261.55	\$30.90
JULY 2016	\$104 619	111	\$3374.80	\$30.35
JUNE 2016	\$97 381	108	\$3357.95	\$31.20
MAY 2016	\$106 390	114	\$3431.95	\$30.10
SEP 2015	\$108 380	111	\$3496.15	\$31.32

PRODUCE

	<u>REVENUE</u>	<u>PERCENTAGE OF SALES</u>	<u>GROSS PROFIT MARGIN</u>	<u>STOCK LOSS</u>
SEP 2016	\$330,715.14	31.3%	33.7%	\$485.72
AUG 2016	\$32 322.58	32.0%	33.7%	\$485.72
JULY 2016	\$31 729.39	30.3%	36.3%	\$442.20
JUNE 2016	\$29 907.06	30.7%	37.5%	\$465.20
SEP 2015	\$ 28,920.42	26.7%	27.0%	\$307.75

GROCERIES

	<u>REVENUE</u>	<u>PERCENTAGE OF SALES</u>	<u>GROSS PROFIT MARGIN</u>	<u>STOCK LOSS</u>
SEP 2016	\$66 313.88	68.3%	49.3%	\$159.05
AUG 2016	\$69 152.29	68.4%	34.1%	\$103.19
JULY 2016	\$71 732.77	69.3%	40.7%	\$144.87
JUNE 2016	\$66 212.88	68.0%	45.5%	\$189.59
SEP 2015	\$82 572.00	71.0%	39.9 %	\$240.11

MEMBERSHIP

CURRENT

SEPTEMBER 2016	3937
JULY 2016	4200
JUNE 2016	4212

MAY 2016 4237

NEW

SEPTEMBER 2016 66 new members
JULY 2016 48 excluding 9 skipped records.
JUNE 2016 42 excluding 9 skipped records.

Please minute the following numbers :

11766 11767 11769 11770 11771 11772 11773 11774 11775 11776 11777
11778 11779 11780 11781 11784 11785 11786 11787 11788 11789 11790
11791 11792 11793 11795 11796 11797 11799 11801 11802 11803 11806
11808 11809 11811 11812 11813 11814 11819 11820 11821 11822 11823
11824 11825 11826 11827 11828 11829 11830 11831 11832 11833 11834
11836 11838 11840 11841 11842 11843 11844 11845 11846 11847 11848

CANCELLED

SEPTEMBER 2016 83
JULY 2016 60
JUNE 2016 67
MAY 2016 60 excluding 1 blank record

Please minute the following numbers:

2914 2927 2942 3431 3576 3904 3971 4612 4642 4650 4685 5142 5470 5487
5655 5746 5798 5826 5837 6082 6123 6517 6523 6782 7035 7206 7320 7490
7615 7865 8022 8027 8077 8290 8301 8676 8694 8727 8734 8777 8939 9037
9082 9103 9104 9241 9354 9383 9426 9428 9445 9468 9484 9518 9774 9775
9783 9897 9911 9930 9941 9963 10010 10030 10038 10041 10043 10056
10057 10058 10062 10066 10070 10072 10073 10075 10077 10079 10081
10082 10083 10091 10095

STAFFING

Ran De Silva has join staff as a casual

VOLUNTEER HOURS

	Hours	Volunteers	Average
SEP 2016	312.5	53	5.8 hours
JULY 2016	1057.5	57	5.9 hours
NB : one – off allocation of 720 hours for Adam Taylor retrospectively has skewed hours : average adjusted excluding Adam’s total.			
JUNE 2016	388.25	65	5.9 hours
MAY 2016	413.25	70	5.9 hours
APRIL 2016	385.50	70	5.5 hours

WORKPLACE HEALTH AND SAFETY

Lindsay has hurt her left shoulder from everyday lifting at the co-op. The initial report it looks like may need injections or if it doesn't improve possibility surgery. GIO Worker compensation claim has been approved. Lindsay is off lifting duties. Lindsay is to see her GP for a Certificate of Capacity

FOOD GRANTS

I recommend that we suspend the grant until further notice. At the moment we still have outstanding donation of \$500 that we are committed to donated to the 2SER Supporter Drive

Please see Vivian application for the grant on behalf of the Angel Street Permaculture Food Forest Inc

<https://docs.google.com/spreadsheets/d/1dlaReQKQbj4V-QpT92neDcAcLthVc rdQktTBLg54-Y/edit?usp=sharing>

She has received an Alfalfa grant on the 13/4/16 with the organization Splitrec. Last grant given to the Angel Street Community garden via Vivian was in 7/9/15.

DONATIONS

As of 25th of October online and offline donations totaled \$4,972

OTHER MATTERS

Repairs needed to the stockroom floor. Real Estate has been notified and Maurice is following it up.

Wasn't able to install a new electricity circuit to separate the fridge and server as one of the fridges was tripping the power Fridge has been repaired.

