

Albany Chamber of Commerce and Industry

Treasurers Report

for the period ending 31 December 2022

Snapshot

As of 31 December 2022:

- Net loss c. \$257k
- EBITDA c. \$213k
- Cash position c.\$439.4k
- Net asset position c. \$1.13m
- Trade debtors c. \$88.1k
- Trade creditors \$50.7k

Financial Summary

Performance - Actual Vs Budget Financial period 1 January 2022 to 31 December 2022 (FY22)

Financial performance for FY22 resulted in a loss of c. \$257k.

Performance	FY Dec 22 Budget	FY Dec 22 Actuals	- / +
Income	1,046,474	688,479	(357,995)
Direct costs	(237,464)	(154,027)	83,437
Gross Profit	809,010	534,452	(274,558)
Operating expenses	(682,362)	(702,733)	(20,371)
EBIDTA	126,648	(168,281)	(294,929)
Depreciaton	(37,012)	(39,289)	(2,277)
Interest	(6,000)	(5,501)	499
Net operating loss	83,636	(213,071)	(296,707)
Less: Other comprehensive income	-	(257,014)	
Net profit %	12%	-24%	

Other comprehensive income being the investment into digitising the directory and creating a community hub did not go ahead, For this reason \$43,943 was written off and increased the loss position by same.

The loss is attributed to income expectations not being met. Income underperformed by 36% to what was budgeted.

Income review

The major driver to the Chamber's underperforming income was the Local Advantage Program. This initiative is to encourage consumers to Buy Local. Over the next 12 months the new CEO will collaborate with stakeholders to re-launch Local Advantage.

Variances in budgeted income line items are:

Income	Budget FY22	Actual FY22	Variance \$	Variance %
Directory	330,000	315,669	(14,331)	-4%
Events	139,794	100,222	(39,572)	-28%
Less - Membership Resignations	(13,700)	(27,840)	(14,140)	103%
Local Advantage	285,000	326	(284,674)	-100%
Members Promotion	1,200	4,320	3,120	260%
Membership Fees	194,570	201,370	6,800	3%
Other Income- Membership	12,000	1,150	(10,850)	-90%
Rental Income	42,500	44,233	1,733	4%
Training Programs	46,500	26,049	(20,451)	-44%
Workspace	8,610	6,916	(1,694)	-20%
	1,046,474	672,416	(374,058)	-36%

Expense review

A review of FY22 actual to budgeted figures shows operating expenses were 6.4% or \$61.3k lower than forecast. Compared to last financial year expenses c. \$814k (FY21) operating costs increased for FY22 by \$87.5k or 10%.

Whilst inflationary pressures have increased costs a cost reduction strategy has been implemented by the new CEO. For FY23 the operating expenses are expected to reduce which will improve sustainability.

Expenses	Budget FY22	Actual FY22	Variance \$	Variance %
Cost of Sales	237,464	154,027	83,437	35%
Depreciation	37,012	39,289	(2,277)	-6%
Insurance	14,040	15,822	(1,782)	-13%
Interest Expense	6,000	5,501	499	8%
Lease of Equipment	5,832	5,827	5	0%
Marketing	1,195	2,596	(1,401)	-117%
Motor Vehicle	4,018	4,060	(42)	-1%
Occupancy Costs	30,467	31,429	(962)	-3%
Operating Costs	77,018	42,579	34,439	45%
Payroll & Employee expenses	543,292	585,235	(41,943)	-8%
Professional Fees & Finance Costs	6,500	15,182	(8,682)	-134%
	962,838	901,547	61,291	6.4%

Current Cash Position

Available cash as of 31 December 2022 is c. \$439.4k made up as follows:

Cash position		Dec-22 Notes
Cash at bank	68,852	
Available re-draw facility	409,385	Total loan \$600k less re-draw to date \$172.5k
Less:		
Grants received in advance	(38,840)	
Cash position	439,397	

Net asset position

Due to the loss position recorded for FY22 the net position of the Chamber decreased by \$252k.

Again, it is expected that the new CEO will reserve the decline in net assets due to the implementation of the new initiatives to be launched over the next two years.

Position	FY22	FY21	- / +
Cash at Bank	68,852	60,341	8,511
Current assets	98,220	144,010	(45,790)
Non-current assets	1,507,740	1,544,900	(37,160)
Total assets	1,674,812	1,749,251	(74,439)
Current liabilities	349,990	262,176	87,814
Non-current liabilities	190,615	100,440	90,175
Total liabilities	540,605	362,616	177,989
Net asset position	1,134,207	1,386,635	(252,428)
<i>Adjusted working capital</i>	<i>226,467</i>	<i>442,175</i>	<i>(215,708)</i>
<i>Current ratio</i>	<i>1.65</i>	<i>2.31</i>	<i>(0.6581)</i>
<i>Quick ratio</i>	<i>1.37</i>	<i>2.52</i>	<i>(1.1523)</i>

Accounts receivable

Aged debtors as of 31 December 2022 total c. \$88.2k.

Debtor management has improved over the past 3 years and the debtor invoices are deemed 98% recoverable.

Accounts payable

As of 31 December 2022, outstanding trade creditors totalled c. \$50.7k and within trade terms.

Conclusion

I am excited about the future of the Chamber. Like all businesses, continuous improvement is the key to success. The CEO, Kristen Pyrz-Brown and the Executive Committee are motivated to improve the sustainability of the Chamber to continue to provide advocacy and support to our members.

Kerry Fry



ACCI President

15 May 2023