

## **Panmure Business Association Incorporated**

### **Financial Report for the AGM**

**To Be Held on 15<sup>th</sup> November 2021**

The Association reported a net profit for the year of \$2,115, compared to net loss of \$11,956 in the prior year. After adjusting for depreciation (which is non-cash) the cash profit for the year was \$22,200 compared with a cash profit \$11,231 last year, as shown on page 8 of the financial statements. As depreciation is a non-cash item, it is common for many not for profit organisations to manage their budget and performance at a cash level as this best tracks the actual allocation of cash income received during the year – the depreciation amount represents the amount that ideally is set aside to take care of replacing or maintaining assets in the future.

When looking at the Income from Operations (on page 7) we can see that there was no change in the amount received from the Auckland City Council Rate Fund, however Grants Received were a lot higher at \$71,360 this year compared to \$15,000 last year – the main increase being a grant of \$47,440 received from AMETI and in addition to this local board funding of \$8,920 was also received. Income from Community Promotions was a lot lower this year at \$5,176 compared to \$34,091 in the prior year and this is mainly due to the Christmas Party not receiving the level of funding it has in the past, it received income of \$2,000 this year compared to \$23,796 last year. As a result of this, expenditure for the Christmas Party was significantly lower this year.

Total Expenses (shown on page 8) were \$11,944 higher this year than last year, being \$518,456 this year versus \$506,512 last year with the main differences relating to the following:

- Wages and salary costs increased by \$6,339 (being \$263,203 this year versus \$256,864 last year) which mainly relates to keeping salaries in line with market levels. This increase was virtually offset by the savings made in the Administration Expenses area.
- Security, maintenance, and image costs decreased by \$3,314 (being \$80,801 this year versus \$84,115 last year). It appears that an additional \$9k was spent on decorative lighting this year compared to last year, however in the past some of the lighting costs have been recorded as assets whereas this year all expenditure on lighting has been treated as an expense. This expense has been partially offset by the reduced amount spent on security cameras and security lighting over this last year.
- Under Marketing, Promotions and Events expenditure there was a new initiative “Tidy Up The Town” which cost \$47,302 and in addition to this, an additional \$5,296 was spent on the Taste of Panmure promotion this year compared to the prior year. However as mentioned earlier, the Christmas Street Party was a smaller event this year and cost the Association \$31k less than in the prior year, therefore overall the expenditure for this category was \$16,959 higher than what was spent the previous year.

When we look at the Statement of Financial Position (on page 10), we can see that the Association reported Total Equity of \$34,883 as at 30 June 2021 – an increase of \$2,116 on the prior year amount of \$32,767. Current Assets have increased by 32,205 from \$148,371 in the prior year to \$180,576 in the current year with the main increase relating to funds held in the bank. A large amount of the increase relates to additional funds being available in the “Future Events” Account.

In summary, despite the challenging events and resulting financial stress the Covid pandemic has placed on all businesses and organisations over this last year, the financial position of the Association has strengthened. This improved result has occurred while investment into decorative lighting has continued and additional amounts have been invested into promoting the town to support local businesses and this support will be crucial over the coming years also. As always, I think it is important to acknowledge the effort put in by the management team who continue to demonstrate dedication, energy and commitment to Panmure and doing all they can to support the Panmure Business Community.