

Treasurer's Report 2022

Financial Year – January 2021 – December 2021 (Inclusive)

2021 could certainly not be classed as a “humdrum” year although this reflection is focused on economic factors I appreciate, as do many others that sadly, humdrum may well be a trite reflection for many. The Association's finances deal with several strands but “The Shop” is the obvious core element that “greases the wheels” it therefore takes centre stage in this report.

Political and medical factors both had a significant impact on the fiscal journey “The Shop” undertook this year. They manifested themselves in the form of price increases throughout the sector especially compost, high transport costs, unreliable delivery programmes and supplier insolvency.

Fortunately with our increased storage space and an early realisation of the inflationary effects these factors would obviously create the Trading Secretary bought big and stacked high.

This can be seen in the figures:

Purchases in the shop were well up on previous years at £13,133.91

Sales fortunately outstripped these costs, just, at £13,288.12

However, our current closing stock value is three times higher than it has been previously recorded at.

All these factors combine to give us a favourable bottom line and gain from last year.

The following notes should be read with reference to the figures in the 2021 column. They are intended to explain potential perceived anomalies.

I would remind you that the figures follow the approved methodology as in column 2020B as all previous columns had an embedded flaw resulting from integrating “best estimate” stock values and a compensatory miscellaneous entry.

For the accountants amongst you I appreciate the final £0.47p discrepancy is not acceptable but as it was in our favour I donated it to charity – the receipt will be available in 2022!!

Note 1 –

Closing Stock 2020 (£2864.50) should equal Opening Stock 2021 (£4,206.24)

Rationale – Closing Stock 2020 was “calculated” using the same methodology as the Opening Stock 2020 to avoid skewing the figures by integrating two methods.

The Opening & Closing Stock is now provided from a known inventory which is updated automatically by sales. This figure can be obtained at any time throughout the year.

Note 2 –

Net Profit Margin is the Net Trading Surplus/Deficit divided by Sales.

Gross Profit Margin is the difference in sales and purchases divided by purchases.

Average Profit Margin is the simple mean of the previous two.

All are placed in percentage format.

Note 3 –

Interest Free Loan £1000.00. This was deposited into the account when the Trading Secretary decided to invest heavily in stock to provide customers with prices which are up to 25% cheaper than those if bought a few weeks (days) later. This will be repaid in the spring when revenue is at its highest.

Note 4 –

Plant /Tools/Fuel – this included the one off purchase of a battery powered strimmer for light maintenance work. However, the residue of £370 was absorbed by fuel and repairs regarding the loaning system. Storage costs of loan machines are included in “Building Maintenance & Site Work”. This sum should be viewed alongside statistics that reflect both the subscription income and the share of use by members and as such needs further consideration.

Note 5 –

Internet Charges – these comprise of:

£40 per annum internet access (data stream) charges.

An annual fee of £12.75 to maintain our domain name – “salisburyroadallotments.co.uk”

The remainder was for a 3 year contract which hosts our website and handles all the “click & collect” transactions. This will not be required to be renewed until 2024. Alternative vendors & methods will, of course, be considered closer to the renewal time.

Card Charges are separate and based on a commission of 1.75% of the sale.

Please do not hesitate to contact me should you have any further queries regarding this report.

Peter Cheyne

Treasurer - December 31st 2021

Appendix A

	2017	2018	2019	2020A	2020B	2021
1. Shop Trading Account						
Opening Stock	£1,957.00	£2,698.00	£2,459.00	£2,642.50	£2,642.50	£4,206.24
Purchases	£5,803.21	£4,286.81	£4,815.00	£7,850.92	£7,850.92	£13,133.91
Sales	£6,538.15	£6,277.85	£6,039.00	£8,966.36	£8,966.36	£13,288.12
Closing Stock	£2,698.00	£2,459.00	£2,642.50	£2,864.50	£2,864.50	£6,025.69
Trading Surplus/Deficit	£1,475.94	£1,752.04	£1,407.50	£1,337.44	£1,337.44	£1,973.66
Net Profit Margin	22.57%	27.91%	23.31%	14.92%	14.92%	14.85%
Gross Profit Margin	14.52%	43.99%	26.43%	14.62%	14.62%	1.36%
Average Profit Margin	18.55%	35.95%	24.87%	14.77%	14.77%	8.11%
2. Income						
Shop Sales	£1,475.94	£1,752.04	£1,407.50	£1,337.44	£8,966.36	£13,288.12
Subscriptions	£438.00	£507.00	£623.50	£466.00	£466.00	£480.00
Interest Free Loan	£0.00	£0.00	£0.00	£0.00	£0.00	£1,000.00
Plant Sales	£19.50	£195.50	£149.85	£0.00	£0.00	£243.00
Competition Entrance Fee	£0.00	£0.00	£38.00	£0.00	£0.00	£22.00
Bank Interest	£14.50	£40.00	£0.00	£0.00	£0.00	£0.00
Donations (Open Day)			£226.09	£50.00	£50.00	£379.10
Total	£2,037.94	£2,589.54	£2,537.94	£1,853.44	£9,482.36	£15,412.22
3. Expenditure						
RHS Insurance & Affiliation	£170.00	£180.00	£180.00	£180.00	£180.00	£225.00
AGM Expenses	£94.00	£45.00	£94.50	£6.50	£6.50	£0.00
Honoraria	£140.00	£110.00	£110.00	£0.00	£0.00	£0.00
Entertaining (Open Day)	£291.83	£467.54	£490.86	£15.42	£15.42	£248.39
Awards Prizes	£225.72	£140.00	£110.00	£8.00	£8.00	£95.00
Building Maintenance & Site Work	£411.99	£78.71	£1,090.76	£3,272.87	£3,272.87	£364.04
Plant / Tools / Fuel	£119.93	£392.68	£287.77	£431.02	£431.02	£475.98
Donations	£20.00	£60.00	£294.55	£80.00	£80.00	£629.10
Keys	£10.00	£90.75	£126.38	£17.50	£17.50	n/a
Stationery	£125.48	£264.95	£33.16	£191.34	£191.34	£101.94
Toilet Maintenance	£5.25	£21.61	£28.98	£80.65	£80.65	£25.46
Miscellaneous	£37.94	£9.53	£461.00	£0.00	£0.00	£0.00
Internet Charges	£0.00	£0.00	£0.00	£40.00	£40.00	£290.80
C&C Card Charges	£0.00	£0.00	£0.00	£107.33	£107.33	£34.28
In Shop Card Charges	£0.00	£0.00	£0.00	£51.68	£51.68	£214.47
Shop				£0.00	£7,850.00	£13,133.91
Total	£1,652.14	£1,860.77	£3,307.96	£4,482.31	£12,332.31	£15,838.37
Surplus/Deficit	£385.80	£728.77	-£770.02	£2,628.87	-£2,849.95	-£426.15
4. Cash Assets						
Cash In Hand	£20.00	£20.00	£20.00	£0.00	£0.00	£0.00
Shop Stock	£2,698.00	£2,459.00	£2,642.50	£2,864.50	£2,864.50	£6,025.69
Bank Account	£4,761.95	£5,490.72	£4,720.70	£1,870.75	£1,870.75	£1,445.07
Net Worth	£7,479.95	£7,969.72	£7,383.20	£4,735.25	£4,735.25	£7,470.76

Bank Account reconciliation calculations

Balance December 2020 = £1870.75: Deficit 2021 = £426.15: Balance 2021 should be £1444.60. Discrepancy = £1445.07 - £1444.60 = 47p in black – Included in 2022 Donations.