

Frankston Business Chamber Incorporated

“Frankston Business Network” (FBN)

Treasurer’s Report 2016

The official audited financial statements show a net result for the year ended 31st December 2016 being a loss of \$10,080 compared with a loss of \$7,666 for the previous year. The primary reason for the loss results shown in each year are the methodology by which income from membership subscriptions and sponsorships has been reported. Income received that is relevant to the period beyond 31st December of each year has been deferred by the auditor until the following year hence there was an amount totalling \$48,567 (\$45,567 memberships, \$3,000 Women Connect) that was deferred from 2015 until these 2016 financial reports and an amount totalling \$57,718 (\$44,718 memberships, \$13,000 sponsorship) removed as income for 2016 and deferred out to 2017. This has had the net effect of increasing the 2016 loss by over \$9,000 based on this allocation across years rather than recognising income at point of receipt.

The cash position of FBN from 31st December 2015 to 31st December 2016 has barely changed with an overall decrease of \$1 over this period compared to a decrease of \$18,550 shown for the 2015 year. This further highlights the point above regarding allocation of income as the loss shown for 2016 does not reflect in the cash balances held. Total cash balances held in the main bank account and term deposit at 31st December 2016 were \$62,750 which significantly outweighed the total genuine liabilities of \$23,549 at the same date, \$17,827 of which represent provisions for employee leave entitlements. This excess of cash over liabilities has been acknowledged by the auditor in that they have completed the 2016 audited accounts on a “going concern basis”.

Our membership base has grown slightly from 2015 to 2016.

- 2015 showed 78 new members, 182 renewed, and 4 honorary totalling 264 members
- 2016 showed 99 new, 171 renewed, and 4 honorary totalling 274 members

We are targeting 285 members total for 2017.

Cash Sponsorships contracted overall in 2016.

- 2015 showed \$38,000 in total sponsors (\$5,000 Bronze, \$15,000 Silver, \$8,000 Gold, \$10,000 Platinum)
- 2016 showed \$28,000 in total sponsors

Note there were no Platinum or Bronze category sponsorships in 2016 which may have contributed directly to this decrease. Sponsorships for 2017 are already above 2016 levels and are approaching the levels seen in 2015.

The Board has prepared a strategic Cash Flow forecast that align with FBN's three-year Strategic Plan. Our Net Profit forecast for 2017 currently indicates a surplus of \$11,479 for the year ending 31st December 2017. We will continue to monitor all costs in the coming year to ensure FBN will operate efficiently and will seek to identify opportunities where a continuing surplus permits. The forecast will be revisited and adjusted as needed during the year.

Summary

The audited financial reports show a loss result for the 2016 year though this has not reflected as a decrease in available cash holdings.

FBN's membership base is estimated to be at 285 by 31st December 2017 with sponsorship totals already at a higher level in 2017 compared to 2016.

Our overall cash position remained positive throughout 2016 and is projected to remain positive throughout 2017 with a surplus result likely by year end.

Jason Beare



Treasurer

20th March 2017