

Financial Goals and Objectives:Optimise Expense Management and Efficiency

We continue to carefully manage spending across all programmes, making sure every dollar is used efficiently and delivers strong value for members. Some policies have been approved by the board relating to particular areas of expenditure as guidelines for management.

Maintain Financial Stability and Long-Term Sustainability

By aligning expenditure with income, we have maintained a balanced budget while also building reserves. These reserves are essential in an environment of high and unpredictable costs, giving us security and the ability to invest in future initiatives.

Protect Against Financial Risks

Regular financial reviews and contingency planning help safeguard Silverdale Business. This year, our Treasurer provided detailed analysis, advice, and robust questioning to ensure strong oversight and sustainable decision-making.

Budget Approval

The budget approval process is a vital component of financial management for Silverdale Business. Our process begins with the General Manager drafting the budget, which is then presented to the board for input and refinement. This ensures that financial resources are allocated efficiently and in alignment with our strategic goals.

Final budgets for the upcoming year are approved at the AGM, typically held in October, and cannot be altered without convening an extraordinary general meeting. Budgets are set with the best intent, drawing on historical data and projected forecasts to allocate sufficient financial resources. However, in volatile economic conditions, financial variances may occur, requiring the organisation to adapt accordingly.

Regular variance analysis is conducted to compare actual financial performance with the approved budget. Any significant discrepancies are thoroughly investigated and addressed to maintain financial integrity and ensure our resources are used effectively.

Financial Performance

This is a summary of key elements in the financial statements. The accounts have been audited and a clean report issued.

Income

Revenue from the BID levy was \$500,000 which was collected by Auckland Council via rates notices. Revenue of \$13,367 was also received from Associate members who do not occupy a premise in the BID area and pay \$350 per annum.

Interest earned was \$2,441 due to the funds being received in a few large amounts but spent on a more even basis.

Other notable income totalled \$14,756, generated through sponsorship and events. This reflects a significant increase on the previous year, driven by the focus of our General Manager. While slightly under budget due to lower-than-expected sponsorship uptake in a challenging economic climate, it remains an important and growing contributor to our overall revenue.

Expenses

Expenses are a crucial component of the financial report as they directly impact the organisation's financial health and liquidity. Silverdale Business is proud to inform our members that the majority of the category expenses were kept within budget for the financial year.

- Employee costs totalled \$278,872, representing 56% of the BID amount. This increase reflects the addition of a staff member to provide specialised expertise and support, enhancing our ability to deliver greater value to members. This includes the cost of contractors covering administrative roles.
- Member programmes and services were \$152,843 being 31% of the BID amount.

However, a couple of notable variances include the following:

The operating deficit for the year was \$20,698. There was a cash surplus of \$121,990. This cash surplus difference was mainly due to the council grant of \$132,500 being paid early.

Capital expenditure of \$30,170 was mainly for security equipment. The total cost of installing the security system so far was \$45,160.

The bank balance at year end was \$197,577 which includes the \$132,500 paid early by the council.

Statement of Financial Position

Assets:

The majority of assets is cash held in the bank from targeted rates. These are paid quarterly and will be held in our on-call bank accounts in advance to meet upcoming expenses throughout the quarter. We utilise the funds according to budget with minimal variances.

Liabilities

Liabilities totalled \$176,353 of which \$132,500 relates to receipts in advance received from Auckland Council.

Equity:

Retained earnings were \$88,576. This represents a portion of the organisation surplus to be utilised in the future.

Conclusion:

In our second year of operation (2024/25), Silverdale Business has remained in establishment mode. We expanded our team to deliver exceptional outcomes for members, completed several key projects, and continued significant investment across all portfolios.

The Board, Treasurer, General Manager, and external bookkeeper have provided strong financial oversight. With the major setup costs of 2023/24 behind us, a cautious approach this year ensured effective cash flow management and prudent expense control, maintaining a solid financial position despite ongoing economic challenges.

Silverdale Business remains focused on sustainability and risk management, with confidence that the steps taken this year will strengthen our long-term financial health.