

2016 AGM REPORT – BOTTLE DEPOT

THERE ARE TWO POINTS OF PARTICULAR NOTE FOR 2015'S FINANCIAL POSITION. FIRST, BEGINNING IN OCTOBER, 2015 THE ENCORP PRESENCE GRANT WAS INCREASED FROM \$7,200/YR TO \$12,000. THE ASSURANCE OF AN EXTRA \$400/MONTH HAS STABILIZED OUR FINANCES AND ALLOWED TO GIVE PERMANENT RAISES TO STAFF FOR THE FIRST TIME SINCE 2010. SECOND, AFTER SEVERAL YEARS OF DECLINE, THE VOLUME OF RETURNABLES WAS UP FOR A THIRD STRAIGHT YEAR.

THIS CAN BE SEEN IN THE FOLLOWING NUMBERS: HANDLING FEES UP 10.5% -- 6.5% INCREASE IN ALCOHOL CONTAINERS REDEEMED -- 5% INCREASE IN NON-ALCOHOL CONTAINERS REDEEMED.

OVERALL, ANNUAL REVENUE INCREASED BY ABOUT 9%.

ON THE EXPENSE SIDE OF THE LEDGER: ADMINISTRATIVE EXPENSES ARE UP 20% OVER 2014 AS A RESULT OF INCREASED BOOKKEEPING COSTS. THIS IS THE RESULT OF THE BOOKKEEPER TAKING OVER SOME TASKS THAT I USUALLY PERFORMED, AND, AS OF OCTOBER 1ST, THE BOOKKEEPER'S WAGE RATE BEING RAISED FOR THE FIRST TIME SINCE 2009. PUT IN PERSPECTIVE, THE ADMIN COSTS WERE 5.2% OF TOTAL EXPENSES, A FIGURE THAT COMPARED WELL WITH THAT OF 2014 WHEN THAT RATIO WAS 4.9%.

PAYROLL IS UP SUBSTANTIALLY -- ALMOST 24%. THIS IS DUE TO SEVERAL FACTORS. INCREASED VOLUME MEANS MORE WORK. AS WELL, TWO NEW STAFF HAD TO BE TRAINED IN 2015, AND THIS ADDS TO THE MANAGER'S BILLABLE HOURS. AND, FINALLY, AS OF OCTOBER 1ST STAFF HAD THEIR WAGE RATES RAISED FOR THE FIRST TIME SINCE 2010.

THE NUMBERS IN THE REFUNDABLES LINE ITEM ARE ALL UP -- 11.5% OVERALL, REFLECTING THE INCREASE IN VOLUME OF REFUNDABLES HANDLED.

THE DEFICIT BOTTOM LINE OUGHT NOT BE A SOURCE OF CONCERN. WE USE A CASH ACCOUNTING SYSTEM RATHER THAN THE MORE COMPLICATED ACCRUAL SYSTEM. THESE NUMBERS ARE A SNAPSHOT OF DECEMBER 31, AND AS SUCH DO NOT NECESSARILY TAKE INTO CONSIDERATION ANY ACCOUNTS RECEIVABLE. AND, GOING FORWARD, THE INCREASE IN THE PRESENCE GRANT WILL BENEFIT THE DEPOT'S BOTTOM LINE BECAUSE THAT NEW MONEY HAS BEEN ALLOCATED SUCH THAT ABOUT 2/3 HAS GONE INTO INCREASED WAGES WHILE ABOUT 1/3 WILL BE RETAINED IN THE DEPOT'S ACCOUNT.