

ROYAL PRINCE EDWARD YACHT CLUB

UNAUDITED BALANCE SHEET

AS AT 31 MARCH 2015

AND

INCOME & EXPENSE STATEMENT

FOR THE 9 MONTHS ENDING 31 MARCH 2015

ROYAL PRINCE EDWARD YACHT CLUB
Unaudited Income & Expense account for the 9 months to 31 March 2015

	3 mths Sept 2014 \$	3 mths Dec 2014 \$	3 mths Mar 2015 \$	Total 9 Mths Mar 2015 \$	Total 9 Mths Mar 2014 \$	Variance \$
Net						
Income	<u>(12,226)</u>	<u>81,677</u>	<u>(2,782)</u>	<u>66,669</u>	<u>44,712</u>	<u>21,957</u>

General Commentary

The above quarterly income figures reflect the true seasonality of the club's operations.

Bar sales are 6% up on prior year figures however are below your Committees budget. The price re-adjustment of beverages in November has only marginally increased sales towards budget. The majority of the Club's beverages prices remain below those of other comparable clubs. Beverage margins have decreased in the March quarter due to increases in prices of the beverages purchased, as such some price increases, in certain beverages, may occur in the coming months.

The catering loss in the March quarter, although substantial was not unexpected, as some December quarter expenditures were included in the March quarter. Your Committee continues to work with Trippas White to refine the catering offering and staffing, to reduce the losses from the catering whilst ensuring the quality of food and service are maintained. Members should be aware that recently the Club's dining room was closed on Friday and Saturday nights (due to lack of patronage), to reduce catering costs and avail the Club to more profitable members' private functions.

It should be noted that the catering although incurring a loss has allowed savings and increased revenue in other areas of the Club operations compared to the prior year. The benefits are reflected in increased beverage revenue, decreased bar staff wages and other administrative costs.

Additionally new member entrance fees are substantially greater than the prior corresponding period and budget. The number of new members wishing to join the club can be partly attributable to the Club's new business model.

The Net income remains ahead of the budget and the prior year corresponding period and is expected to do so for the remainder of the financial year.

ROYAL PRINCE EDWARD YACHT CLUB

Unaudited Balance sheet as at 31 March 2015

	Notes	Mar 2015 \$	Dec 2014 \$	Sept 2014 \$	Dec to Mar mvt \$	Mar 2014 \$
ASSETS						
Cash (incl cheque account)		62,777	60,735	46,730	2,042	96,372
Term Deposits	1	224,302	272,869	397,379	(48,567)	331,847
Trade Debtors		19,522	13,590	64,924	5,932	30,648
Stock on Hand	2	33,727	37,537	31,784	(3,810)	32,651
Other		15,842	26,944	35,301	(11,102)	18,380
<i>Total Current Assets</i>		<u>356,170</u>	<u>411,675</u>	<u>576,118</u>	<u>(55,505)</u>	<u>509,898</u>
Land & Buildings - at Directors valuation		9,428,491	9,428,491	9,428,491	0	6,000,000
Building Additions (net of depreciation)	3	590,330	599,274	563,126	(8,944)	338,543
		<u>10,018,821</u>	<u>10,027,765</u>	<u>9,991,617</u>	<u>(8,944)</u>	<u>6,338,543</u>
Furniture & Fittings (net of depreciation)	3	73,371	72,184	70,036	1,187	68,699
Plant & Equipment (net of depreciation)	3	129,962	134,250	139,677	(4,288)	143,954
		<u>203,333</u>	<u>206,434</u>	<u>209,713</u>	<u>(3,101)</u>	<u>212,653</u>
<i>Total Fixed Assets</i>		<u>10,222,154</u>	<u>10,234,199</u>	<u>10,201,330</u>	<u>(12,045)</u>	<u>6,551,196</u>
<i>Total Assets</i>		<u>10,578,324</u>	<u>10,645,874</u>	<u>10,777,448</u>	<u>(67,550)</u>	<u>7,061,094</u>
LIABILITIES						
Trade Creditors & Accruals	4	64,870	18,807	115,171	46,063	62,037
Members Subscriptions not taken to income	5	104,210	193,309	331,878	(89,099)	92,334
Members storage/Mooring fees not taken to income		0	20,442		(20,442)	0
Employee Entitlements		20,526	21,816	20,576	(1,290)	22,167
<i>Total Current Liabilities</i>		<u>189,606</u>	<u>254,374</u>	<u>467,625</u>	<u>(64,768)</u>	<u>176,538</u>
Total Net Assets		<u>10,388,718</u>	<u>10,391,500</u>	<u>10,309,823</u>	<u>(2,782)</u>	<u>6,884,556</u>
EQUITY						
Retained Earnings		865,939	865,939	445,939	0	392,225
Current Year Earnings	6	66,669	69,451	(12,226)	(2,782)	44,712
Asset Revaluation Reserve		9,406,110	9,406,110	9,406,110	0	5,977,619
Development Fund		50,000	50,000	470,000	0	470,000
Total Equity		<u>10,388,718</u>	<u>10,391,500</u>	<u>10,309,823</u>	<u>(2,782)</u>	<u>6,884,556</u>

Notes

For members information the balance sheet as at March 2014 has been inserted, this 'like for like' comparison removes the 'seasonality' of numbers.

Comments on March 2015 balances

- 1 Monies placed on deposit from receipt of annual Members subscriptions.
- 2 Includes results of food and beverage stocktake conducted at 31 March 2015.
- 3 Balances include depreciation for March 2015 (calc on a quarterly basis). Movement reflects the quarter's depreciation. Movement during the quarter includes monies spent on Club's undercroft.
- 4 Creditors include \$42,594 owing to Trippas White.
- 5 Balance reflects Members annual subscriptions that have not been taken to income at 31/03/2015. Subscription income is taken to the income account on an equal monthly basis.
- 6 March balance equates to the year to date income & expense account and reflects a loss for the quarter of \$2,782.

ROYAL PRINCE EDWARD YACHT CLUB
Unaudited Income & Expense account for the 9 months to 31 March 2015

	Commei Note	3 mths Sept 2014 \$	3 mths Dec 2014 \$	3 mths March 2015 \$	Total 9 Mths March 2015 \$	Total 9 Mths March 2014 \$	Variance \$
Subscriptions							
Annual subscriptions - membership	a	90,255	90,255	90,255	270,765	270,765	0
Annual subscriptions - YA affiliation fees	b	20,164	123	204	20,491	18,038	2,453
Entrance fees	c	23,912	12,415	13,869	50,196	28,945	21,251
Development Fund Levy	d	0	50,028	400	50,428	49,300	1,128
		<u>134,331</u>	<u>152,821</u>	<u>104,728</u>	<u>391,880</u>	<u>367,048</u>	<u>24,832</u>
Bar Trading							
Bar sales	1	58,958	100,678	81,297	240,933	226,888	14,045
Net bar purchases after allowing for stock mvts)		<u>(32,452)</u>	<u>(44,078)</u>	<u>(45,154)</u>	<u>(121,684)</u>	<u>(116,097)</u>	<u>(5,587)</u>
Gross Profit		26,506	56,600	36,143	119,249	110,791	8,458
<i>Gross margin</i>	e	45%	56%	44%	49%	49%	
Employee costs	f, 2	(23,723)	(26,676)	(24,342)	(74,741)	(99,860)	25,119
Other bar associated costs	g	<u>(4,088)</u>	<u>(4,129)</u>	<u>(4,519)</u>	<u>(12,736)</u>	<u>(11,176)</u>	<u>(1,560)</u>
		<u>(1,305)</u>	<u>25,795</u>	<u>7,282</u>	<u>31,772</u>	<u>(245)</u>	<u>32,017</u>
Boat Racing							
Income		2,500	10,759	4,412	17,671	25,137	(7,466)
Expenses		<u>(2,853)</u>	<u>(7,060)</u>	<u>(8,840)</u>	<u>(18,753)</u>	<u>(29,244)</u>	<u>10,491</u>
		<u>(353)</u>	<u>3,699</u>	<u>(4,428)</u>	<u>(1,082)</u>	<u>(4,107)</u>	<u>3,025</u>
Boat Maintenance, Boatshed, Moorings & Jetty							
Income		20,443	1,198	21,035	42,676	40,085	2,591
Maritime jetty rent		(668)	(665)	(653)	(1,986)	(2,124)	138
Club moorings & boats	h	<u>(11,893)</u>	<u>(2,416)</u>	<u>(2,532)</u>	<u>(16,841)</u>	<u>(23,237)</u>	<u>6,396</u>
		<u>7,882</u>	<u>(1,883)</u>	<u>17,850</u>	<u>23,849</u>	<u>14,724</u>	<u>9,125</u>
Catering							
Income from Catering	i, 3	60,886	102,858	78,233	241,977	165,566	76,411
Catering costs	j, 4	<u>(109,027)</u>	<u>(128,025)</u>	<u>(136,977)</u>	<u>(374,029)</u>	<u>(266,475)</u>	<u>(107,554)</u>
		<u>(48,141)</u>	<u>(25,167)</u>	<u>(58,744)</u>	<u>(132,052)</u>	<u>(100,909)</u>	<u>(31,143)</u>
Sundry Income							
Club Functions	k, 5	0	1,940	0	1,940	6,338	(4,398)
Interest	l, 6	3,125	2,999	2,159	8,283	17,062	(8,779)
Other	m	<u>6,105</u>	<u>7,159</u>	<u>5,290</u>	<u>18,554</u>	<u>17,952</u>	<u>602</u>
		<u>9,230</u>	<u>12,098</u>	<u>7,449</u>	<u>28,777</u>	<u>41,352</u>	<u>(12,575)</u>
Expenses							
Club functions & Committee costs	n, 6	(1,568)	(5,417)	(668)	(7,653)	(10,769)	3,116
Other repairs & maintenance		(15,178)	(4,259)	(5,733)	(25,170)	(31,672)	6,502
Employee costs	o	(18,327)	(18,056)	(14,129)	(50,512)	(53,636)	3,124
YA of NSW affiliation fee	p	(20,164)	119	0	(20,045)	(18,673)	(1,372)
Other administrative costs	q, 7	<u>(40,562)</u>	<u>(38,652)</u>	<u>(36,740)</u>	<u>(115,954)</u>	<u>(130,381)</u>	<u>14,427</u>
		<u>(95,799)</u>	<u>(66,265)</u>	<u>(57,270)</u>	<u>(219,334)</u>	<u>(245,131)</u>	<u>25,797</u>
Operating Surplus							
		<u>5,845</u>	<u>101,098</u>	<u>16,867</u>	<u>123,810</u>	<u>72,732</u>	<u>51,078</u>
Depreciation	8	(18,071)	(19,421)	(19,649)	(57,141)	(28,020)	(29,121)
Net Income							
		<u>(12,226)</u>	<u>81,677</u>	<u>(2,782)</u>	<u>66,669</u>	<u>44,712</u>	<u>21,957</u>

ROYAL PRINCE EDWARD YACHT CLUB
Unaudited Income & Expense account for the 9 months to 31 March 2015

General comments on presentation:

- a 2014/2015 subscriptions are taken to income on an equal monthly basis, currently approx \$30,000 pm. 2014/2015 income forecast to be approx \$376k.
- b Subscriptions include annual Yachting Association of NSW affiliation fees.
- c Entrance fees are taken to income when the new member is charged.
- d Represents monies collected specifically for future development projects.
- e Targeted gross profit margin on bar sales targeted at greater than 50% for 2014/2015.
- f Represents an allocation of total salaries to run the bar.
- g Includes stocktaking fee; gas bottles; bar sundries; and an allocation from administration of bank & merchant charges, power, gas & waste, telephone & internet costs.
- h Includes club boat maintenance, jetty maintenance and mooring repairs.
- i New business model commenced from 20 October 2013, with catering and beverage operations outsourced to the Trippas White Group.
- j From 20 October 2013 costs include the costs of running the catering and function services provided to members. Additionally costs include kitchen maintenance and an allocation of bank & merchant charges, power, gas & waste; telephone & internet costs.
- k Income received from members and their invited guests attending club functions. In 2014/2015 the majority of this income has been reflected in catering income.
- l Represents income received from funds on deposit, at differing interest rates and differing term periods depending on Club forecast requirements.
- m Includes rent from the flat which is located on the club premises, merchandise sales, bridge income, function wages recovered and other income.
- n Costs of running club functions and other Club Committee costs. In 2014 /2015 the majority of this expense will be reflected in catering expenses.
- o Represents Club administrative staff costs after the allocation to bar trading.
- p Annual fee paid to the YA of NSW.
- q Other costs include rates & taxes, internal cleaning costs, insurance, accounting & audit costs and other operating costs required to run the Club.

Notes

- 1 The bar revenue has increased 6% over the previous corresponding period, with additional beverage sales being generated from the extended dining hours and more members using the Club. Additionally the margin on sales has increased due to the November 2014 price increase and change in mix of beverage selections (particularly wines).
- 2 2013 /2014 expenses include the redundancy costs of the Club's former General Manager.
- 3 The increase in catering revenue in the half year reflects the impact of the Club now receiving all revenues from the catering services to members including function income.
- 4 The increase in catering expense represents the costs incurred by the Club in enhancing the catering offering to members, as all costs including the monthly Trippas White management fee (currently \$2,500 pm) are now incurred by the Club. Recently the Committee closed the dining room on Friday and Saturday nights, this decision is expected to reduce losses from the catering operations and now will avail those nights for more profitable members' private functions. Your Committee continue to work with TWG to improve returns from the catering function, without sacrificing the dining room and lawn service and quality offered to members.
It should be noted that the catering function has absorbed costs that were previously reflected in other administrative costs, which has led to their reduction over the prior corresponding period.
- 5 Includes income from and costs of; Childrens Christmas party; Bridge activities & misc meetings.
- 6 Interest income has decreased due to the combined effects of decreasing interest rates and a reduction of funds on deposit, as deposit monies have been expended on the rear boatshed and works on the undercroft of the club.
- 7 Refer separate sheet for analysis.
Savings over prior period reflect decrease in legal fees and reallocation of merchant fees and now largely included in catering costs.
- 8 Increased depreciation largely reflect the completion of the rear boatshed and surrounding improvements. Note this is a non cash expense.

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	3 mths Sept 2014 \$	3 mths Dec 2014 \$	3 mths Mar 2015 \$	Total 9 Mths March 2015 \$	Total 9 Mths March 2014 \$	Variance \$
Other Administrative Costs						
5-6000 Club clothing & Sundry expenses	0	(3,000)	(498)	(3,498)	(123)	(3,375)
6-1000 Accounting costs	(4,354)	(4,131)	(3,941)	(12,426)	(11,778)	(648)
6-1005 Auditors remuneration	(2,000)	(2,000)	(2,000)	(6,000)	(6,000)	0
6-1200 Bank charges	(246)	(61)	(126)	(433)	(517)	84
6-1202 Merchant fees	1,988	503	178	2,669	(2,406)	5,075
6-1300 Cleaning services & supplies	(8,258)	(9,583)	(8,383)	(26,224)	(27,274)	1,050
6-1309 Computer expenses	(2,563)	(235)	(181)	(2,979)	(500)	(2,479)
6-1311 Consulting Fees	0	(280)	0	(280)	(2,041)	1,761
6-1600 Filing fees	0	(74)	0	(74)	(59)	(15)
6-1605 Garbage	(1,211)	(899)	(1,086)	(3,196)	(3,628)	432
6-1630 General expenses	(101)	(134)	(242)	(477)	(1,339)	862
6-1700 Insurance	(9,212)	(9,214)	(9,012)	(27,438)	(26,862)	(576)
6-1800 Interest expense	0	0	0	0	(1)	1
6-2000 Legal fees	0	0	0	0	(9,095)	9,095
6-2100 Licencing Fees	0	0	(140)	(140)	(80)	(60)
6-2110 Utilities - Power, water & gas	(7,703)	(6,157)	(7,006)	(20,866)	(16,502)	(4,364)
6-2300 Printing, postage & stationary	(3,115)	(609)	(624)	(4,348)	(4,419)	71
6-2360 Rates & taxes	(6,721)	(6,721)	(6,721)	(20,163)	(19,714)	(449)
6-2450 Security & Fire protection	(705)	(579)	(1,381)	(2,665)	(5,443)	2,778
6-2468 Subscriptions	(846)	0	0	(846)	(829)	(17)
6-2470 Telephone, internet & foxtel	(1,515)	(1,478)	(1,577)	(4,570)	(4,295)	(275)
	6,000	6,000	6,000	18,000	12,524	5,476
Allocation to to bar/catering (Utilities, telephone etc)	<u>(40,562)</u>	<u>(38,652)</u>	<u>(36,740)</u>	<u>(115,954)</u>	<u>(130,381)</u>	<u>14,427</u>