

ROYAL PRINCE EDWARD YACHT CLUB

UNAUDITED BALANCE SHEET

AS AT 31 MARCH 2020

AND

INCOME & EXPENSE STATEMENT

FOR THE 9 MONTHS ENDING 31 MARCH 2020

ROYAL PRINCE EDWARD YACHT CLUB
Unaudited Income & Expense account for the 9 months to 31 March 2020

	3 mths Sept 2019 \$	3 mths Dec 2019 \$	3 mths Mar 2020 \$	Total 9 Mths Mar 2020 \$	Total 9 Mths Mar 2019 \$	Variance \$
Net Income	<u>59,966</u>	<u>153,853</u>	<u>40,898</u>	<u>254,717</u>	<u>214,400</u>	<u>40,317</u>
<i>Net Income prior period</i>	28,627	138,391	47,382	214,400		

General Commentary

The Club premises have been closed since 23 March 2020, due to the Covid - 19 pandemic. In mid May work commenced on the Restoration and Remediation project, this project is expected to continue through to late October 2020.

The operating position of the Club continues to be satisfactory, with a healthy surplus for the 9 months to March 2020 of \$254,717 which is a substantial increase on the prior corresponding 9 monthly period of \$214,400

Losses incurred in the food and beverage operations of the Clubs continue and results have deteriorated marginally compared to the prior corresponding 9 monthly period, particularly in food. The beverage and catering revenue streams are supported by annual subscriptions.

It should be noted that the 9 months surplus includes the Development Levy of \$82,480 (2019 \$54,800), which will be transferred to the Reserve account at the beginning of the FY2021 year.

Expenditures are consistent with prior corresponding period after excluding the once off FY2020 Noise consultants costs.

ROYAL PRINCE EDWARD YACHT CLUB

Unaudited Balance sheet as at 31 March 2020

	Notes	Mar 2020 \$	Dec 2019 \$	Sept 2019 \$	Mar to Dec mvt \$	Mar 2019 \$
ASSETS						
Cash (incl cheque account)		87,403	41,873	150,277	45,530	117,082
Term Deposits	1	2,161,641	2,213,168	2,208,549	(51,527)	1,564,723
Trade Debtors	2	9,309	67,920	92,157	(58,611)	25,323
Stock on Hand	3	21,477	31,622	31,104	(10,145)	34,122
Other		18,927	37,271	45,122	(18,344)	19,204
<i>Total Current Assets</i>		<u>2,298,757</u>	<u>2,391,854</u>	<u>2,527,209</u>	<u>(93,097)</u>	<u>1,760,454</u>
Land & Buildings - at Directors valuation		19,649,990	19,649,990	19,649,990	0	19,500,000
Building Additions (net of depreciation)	4	52,242	21,869	7,914	30,373	142,308
		<u>19,702,232</u>	<u>19,671,859</u>	<u>19,657,904</u>	<u>30,373</u>	<u>19,642,308</u>
Furniture & Fittings (net of depreciation)	4	58,222	55,405	49,296	2,817	51,182
Plant & Equipment (net of depreciation)	4	102,656	103,086	105,332	(430)	110,270
		<u>160,878</u>	<u>158,491</u>	<u>154,628</u>	<u>2,387</u>	<u>161,452</u>
<i>Total Fixed Assets</i>		<u>19,863,110</u>	<u>19,830,350</u>	<u>19,812,532</u>	<u>32,760</u>	<u>19,803,760</u>
<i>Total Assets</i>		<u>22,161,867</u>	<u>22,222,204</u>	<u>22,339,741</u>	<u>(60,337)</u>	<u>21,564,214</u>
LIABILITIES						
Trade Creditors & Accruals		70,155	60,502	142,115	9,653	47,748
Members Subscriptions not taken to income	5	121,087	239,378	357,593	(118,291)	113,727
Development Fund not taken to income	6	0	0	82,030	0	0
Employee Entitlements		19,984	18,464	18,592	1,520	21,851
<i>Total Current Liabilities</i>		<u>211,226</u>	<u>318,344</u>	<u>600,330</u>	<u>(107,118)</u>	<u>183,326</u>
Total Net Assets		<u>21,950,641</u>	<u>21,903,860</u>	<u>21,739,411</u>	<u>46,781</u>	<u>21,380,888</u>
EQUITY						
Retained Earnings		1,584,406	1,584,406	1,584,406	0	1,472,492
Current Year Earnings	7	254,717	213,819	59,966	40,898	214,400
Future Development Fund Donations	8	921,004	915,121	904,525	5,883	613,482
Asset Revaluation Reserve		18,928,214	18,928,214	18,928,214	0	18,928,214
Development Fund	9	262,300	262,300	262,300	0	152,300
Total Equity		<u>21,950,641</u>	<u>21,903,860</u>	<u>21,739,411</u>	<u>46,781</u>	<u>21,380,888</u>

Notes

For members information the balance sheet as at March 2019 has been inserted, this 'like for like' comparison removes the 'seasonality' of numbers.

Comments on March 2019 balances

- Monies placed on deposit from receipt of annual Members subscriptions & Members donations to the Future Development Fund. The Future Development Funds are separated from Club operating funds.
- Includes outstanding monies owing on Subscriptions, boatshed/mooring storage and the Trippas White account.
- Includes results of food and beverage stocktake conducted at 31 March 2020.
- Balances include depreciation for March 2020 quarter (calc on a monthly basis).
- Balance reflects Members annual subscriptions that have not been taken to income at 31/03/2020. Subscription income is taken to the income account on an equal monthly basis.
- Includes Development Fund levies received from members not taken to income at 31 March 2020. Levies were transferred to income in November 2019.
- March 2020 balance equates to the year to date income & expense account and reflects a profit for the quarter of \$40,898.
- Represents Future Development Fund donations received from members, together with interest earned thereon.

ROYAL PRINCE EDWARD YACHT CLUB
Unaudited Income & Expense account for the 9 months to 31 March 2020

	Comment Note	3 mths Sept 2019 \$	3 mths Dec 2019 \$	3 mths Mar 2020 \$	Total 9 Mths Mar 2020 \$	Total 9 Mths Mar 2019 \$	Variance \$
Bar Trading							
Bar sales	1	75,689	135,214	74,471	285,374	271,540	13,834
Net bar purchases (after allowing for stock mvmts)		<u>(31,088)</u>	<u>(59,925)</u>	<u>(40,969)</u>	<u>(131,982)</u>	<u>(111,614)</u>	<u>(20,368)</u>
Gross Profit		44,601	75,289	33,502	153,392	159,926	(6,534)
<i>Gross margin</i>	e	59%	56%	45%	54%	59%	
Employee costs	f	(11,858) -15.7%	(12,595) -9.3%	(10,716) -14.4%	(35,169) -12.3%	(34,731) -12.8%	(438) 1.3%
Other bar associated costs	g	<u>(7,696)</u> 25,047	<u>(8,013)</u> 54,681	<u>(6,392)</u> 16,394	<u>(22,101)</u> 96,122	<u>(19,676)</u> 105,519	<u>(2,425)</u> (9,397)
Catering							
Income from Catering	i, 1	74,804	125,913	67,726	268,443	265,339	3,104 1.2%
Catering costs	j, 2	<u>(136,028)</u> (61,224)	<u>(163,429)</u> (37,516)	<u>(123,613)</u> (55,887)	<u>(423,070)</u> (154,627)	<u>(421,656)</u> (156,317)	<u>(1,414)</u> 1,690 -0.3%
Total Bar & Catering profit/ (Loss)	1	<u>(36,177)</u>	<u>17,165</u>	<u>(39,493)</u>	<u>(58,505)</u>	<u>(50,798)</u>	<u>(7,707)</u>
Subscriptions							
Annual subscriptions - Membership	a	124,950	113,389	120,981	359,320	339,845	19,475 5.7%
Annual subscriptions - Sailing Australia affiliation fees	b	16,658	0	0	16,658	22,746	(6,088)
Entrance fees	c	28,529	15,849	28,528	72,906	62,456	10,450
Annual Development Fund Levy	d	<u>0</u> 170,137	<u>81,430</u> 210,668	<u>1,050</u> 150,559	<u>82,480</u> 531,364	<u>54,800</u> 479,847	<u>27,680</u> 51,517
Boat Racing							
Income	3	15,731	12,908	687	29,326	21,437	7,889
Expenses		<u>(1,910)</u> 13,821	<u>(13,347)</u> (439)	<u>(6,173)</u> (5,486)	<u>(21,430)</u> 7,896	<u>(15,373)</u> 6,064	<u>(6,057)</u> 1,832
Boat Maintenance, Boatshed, Moorings & Jetty							
Income		13,561	12,837	13,197	39,595	39,443	152 0.4%
Maritime jetty rent		(1,000)	(665)	(1,156)	(2,821)	(2,901)	80
Club moorings & boats	h, 4	<u>(13,235)</u> (674)	<u>(11,501)</u> 671	<u>(4,573)</u> 7,468	<u>(29,309)</u> 7,465	<u>(35,076)</u> 1,466	<u>5,767</u> 5,999
Sundry Income							
Club Functions	k	5,675	10,334	8,309	24,318	24,474	(156) -0.6%
Interest	l, 5	5,014	5,008	4,133	14,155	25,570	(11,415)
Other	m, 6	<u>4,023</u> 14,712	<u>6,336</u> 21,678	<u>6,455</u> 18,897	<u>16,814</u> 55,287	<u>8,712</u> 58,756	<u>8,102</u> (3,469)

Expenses

Club functions & Committee costs	n, 7	(11,432)	(7,748)	(8,692)	(27,872)	(23,470)	(4,402)	
Other repairs & maintenance	10	(5,785)	(11,308)	(2,365)	(19,458)	(25,035)	5,577	
Employee costs	o	(14,503)	(16,104)	(20,199)	(50,806)	(48,073)	(2,733)	5.7%
Sailing Australia affiliation fee	p, 8	(16,658)	0	0	(16,658)	(21,818)	5,160	
Other	q, 9	(47,093)	(54,316)	(53,734)	(155,143)	(141,522)	(13,621)	9.6%
		<u>(95,471)</u>	<u>(89,476)</u>	<u>(84,990)</u>	<u>(269,937)</u>	<u>(259,918)</u>	<u>(10,019)</u>	
Operating Surplus		<u>66,348</u>	<u>160,267</u>	<u>46,955</u>	<u>273,570</u>	<u>235,417</u>	<u>38,153</u>	
Depreciation	10	(6,382)	(6,414)	(6,057)	(18,853)	(21,017)	2,164	
Net operating Income FY2020		<u>59,966</u>	<u>153,853</u>	<u>40,898</u>	<u>254,717</u>	<u>214,400</u>	<u>40,317</u>	

<i>Net operating Income FY2019</i>		<u>28,627</u>	<u>138,392</u>	<u>47,381</u>	<u>214,400</u>			
---	--	----------------------	-----------------------	----------------------	-----------------------	--	--	--

Future Development Fund Donations FY2020	r	254,887	10,596	5,882	271,365			
---	---	---------	--------	-------	---------	--	--	--

General comments on presentation:

- a 2019/2020 subscriptions are taken to income on an equal monthly basis, currently approx. \$40,000 pm. 2019/2020 income forecast to be approx. \$480k.
- b Subscriptions include annual Sailing Australia fees.
- c Entrance fees are taken to income when the new member is charged.
- d Represents monies collected specifically for capital projects, 2019/2020 monies of \$81.4K transferred to income in November 2019.
- e Targeted gross profit margin on bar sales targeted at greater than 55% for 2019/2020.
- f Represents an allocation of total salaries to run the bar.
- g Includes stocktaking fee; gas bottles; bar sundries; and an allocation of Club administration costs, including power, gas & waste, telephone & internet costs.
- h Includes club boat maintenance, jetty maintenance and mooring repairs.
- i Represents income generated from Club catering and functions managed by the Trippas White Group (TWG), excludes Sunday series & Younger Member and Club specific functions.
- j Costs includes the costs of running the catering and function services provided to Members.
- k Income received from members and their invited guests attending special club functions, not included in the catering revenue stream. Includes Younger Member functions, Club cocktail functions, New Members nights, Annual Prize Giving, Annual General Meeting, Bridge and Sunday Series BBQ's.
- l Represents income received from funds on deposit, at differing interest rates and differing term periods depending on Club forecast requirements,. It excludes interest on Future Development Fund Donation monies.
- m Includes merchant fees recovered, merchandise sales and other income.
- n Costs of running club functions (incl Sunday series costs) and other Club Committee costs, not included in the catering function.
- o Represents Club staff costs after the allocation to bar trading.
- p Adjusted membership subscription payable to Sailing Australia through to 30 June 2020..
- q Other costs include rates & taxes, internal cleaning costs, insurance, accounting & audit costs and other operating costs required to run the Club, details attached.
- r Members donations made towards the Future Development Fund, which is considered outside normal operating activities.

Notes

- 1 The operational results of the Club were impacted in the March 2020 quarter, as the Government required closure of licenced premises on 23 March 2020, due to the the Covid - 19 pandemic
Prior to this quarter the Club has enjoyed a strong 2nd quarter in both beverage sales and catering income, allowing both revenue streams to be greater than the previous comparative 6 monthly period. Unfortunately costs of providing catering rose at a greater rate than the increased revenue. The combined loss for the March quarter of (\$39,493) was slightly greater than the previous corresponding March quarter loss (of \$36,772).
It should be noted that Michael Bruce was employed as full time Venue Manager upon Tracy Haddow's departure in December 2019.
- 2 The increase partly reflects increased costs of food and catering. The cost increase resulting from employing more experienced staff has been partly offset by the reversal of the Long Service Leave provision, upon the departure of Tracy Haddow.
- 3 Includes prior year race management fees received this year of \$4,545, not accrued in prior year, together with \$1,454 of J24 entrance fees.
The Club did not host the J24's in the prior year.
- 4 Reflects less maintenance costs on boats this year.
- 5 Reduction in interest income reflects lower rates offered in the low interest environment
- 6 Other sundry income includes the merchant fees recoveries, Club merchandise sales, together with Bridge donations.
- 7 Reflects costs associated with Club functions including equipment hire, together with costs of the New Members night and costs of the General Committee.
- 8 Reflects adjustment by Sailing Australia to change their financial income year - once off adjustment.
- 9 Refer separate sheet for analysis.
- 10 Depreciation is consistent with prior year, cost reduction reflect lower value of depreciable items.

	3 mths Sept 2019 \$	3 mths Dec 2019 \$	3 mths Mar 2020 \$	Total 9 Mths Mar 2020 \$	Total 9 Mths Mar 2019 \$	Variance \$
5-6000 Club clothing & Sundry expenses	(225)	(850)	(1,350)	(2,425)	(1,850)	(575)
6-1000 Accounting costs & temporary administration staff	(5,146)	(6,600)	(4,275)	(16,021)	(13,961)	(2,060)
6-1005 Auditors remuneration	(2,338)	(3,312)	(2,500)	(8,150)	(7,864)	(286)
6-1200 Bank charges	(347)	75	(138)	(410)	(619)	209
6-1202 Merchant fees	(1,685)	(726)	(429)	(2,840)	(2,146)	(694)
6-1300 Cleaning services & supplies	(7,269)	(8,775)	(7,981)	(24,025)	(24,722)	697
6-1309 Computer expenses	(1,544)	(196)	(214)	(1,954)	(1,809)	(145)
6-1311 Consulting Fees (Noise consulting in FY2020)	(300)	(7,500)	(11,750)	(19,550)	(4,389)	(15,161)
6-1600 Filing fees	0	0	(110)	(110)	(146)	36
6-1605 Garbage	(786)	(1,155)	(1,155)	(3,096)	(3,083)	(13)
6-1630 General expenses	(255)	(1,046)	(649)	(1,950)	(1,472)	(478)
6-1700 Insurance	(10,574)	(10,574)	(10,344)	(31,492)	(31,870)	378
6-1800 Interest expense	0	0	0	0	0	0
6-2000 Legal fees	(1,288)	0	0	(1,288)	(4,964)	3,676
6-2100 Licensing Fees	(73)	0	0	(73)	(455)	382
6-2110 Utilities - Power, water & gas	(4,424)	(6,552)	(5,554)	(16,530)	(15,335)	(1,195)
6-2300 Printing, postage & stationary (including development update circulars to members)	(5,366)	(325)	(787)	(6,478)	(8,436)	1,958
6-2360 Rates & taxes	(7,541)	(7,540)	(7,540)	(22,621)	(22,029)	(592)
6-2450 Security & Fire protection	(1,517)	(1,264)	(1,508)	(4,289)	(5,859)	1,570
6-2468 Subscriptions	0	(1,079)	0	(1,079)	(159)	(920)
6-2470 Telephone, internet & Foxtel (including additional Foxtel charges)	(2,415)	(2,897)	(3,050)	(8,362)	(8,354)	(8)
6-2475 Training	0	0	(400)	(400)	0	(400)
Allocation to to bar/catering (Utilities, telephones etc)	6,000	6,000	6,000	18,000	18,000	0
	<u>(47,093)</u>	<u>(54,316)</u>	<u>(53,734)</u>	<u>(155,143)</u>	<u>(141,522)</u>	<u>(13,621)</u>