

ROYAL PRINCE EDWARD YACHT CLUB

UNAUDITED BALANCE SHEET

AS AT 31 MARCH 2021

AND

INCOME & EXPENSE STATEMENT

FOR THE 9 MONTHS ENDING 31 MARCH 2021

ROYAL PRINCE EDWARD YACHT CLUB
Unaudited Income & Expense account for the 9 months to 31 March 2021

	3 mths Sept 2020 \$	3 mths Dec 2020 \$	3 mths Mar 2021 \$	Total 9 Mths Mar 2021 \$	Total 9 Mths Mar 2020 \$	Variance \$
Net Operating Surplus (after depreciation and before R&R building repairs)	85,927	141,458	75,151	302,536	254,717	
R&R building repairs	0	(876,160)	0	(876,160)	0	
Current Year earnings	<u>85,927</u>	<u>(734,702)</u>	<u>75,151</u>	<u>(573,624)</u>	<u>254,717</u>	<u>(828,341)</u>
<i>Net Income prior period</i>	59,966	153,853	40,898	254,717		

General Commentary

The Club has made an operating surplus in the quarter ended 31 March 2021, following the operating surplus in the September & December quarters. Members have increased patronage, since reopening on 31 October 2020, to enjoy the refurbished Clubhouse. this patronage has offset the Covid-19 Government restrictions on the number of Members using the Club at any one time. Additionally Members' subscriptions generally used to support the various revenue streams of the Club were not required during the Club's closure.

The R&R project, approved by members some time ago, included certain building repairs to preserve the integral structure of the Club, these repairs included replacing the Club's roof, reattaching the inner and outer brick walls to each other, plumbing and electrical repairs. In addition to these repairs the upstairs lounge area and bathrooms were refurbished. Also it was considered that a proportion of Consultancy fees, incurred during investigative R&R works should not be capitalized as they related to the building repair work. The total costs of these building repair works amounted to \$876,160 and was written off against the income of the Club (following Accounting legislation) in the December 2020 quarter, at completion of the R&R Project.

Members donations received, for the R&R Project were not allocated to the above building repairs, as these costs were met from accumulated operating funds.

It should be noted that the December operating surplus includes the Development Levy of \$83,370 (2020 \$81,430), which will be transferred to the Reserve account at the end of the FY2021 year.

The Club would normally expect a seasonally quieter second half of the financial year, however with the impact of Covid-19 and restricted travel outside Australia the Club may see continued monthly surpluses for the lastquarter of the financial year.

ROYAL PRINCE EDWARD YACHT CLUB

Unaudited Balance sheet as at 31 March 2021

	Notes	Mar 2021 \$	Dec 2020 \$	Sept 2020 \$	Dec to Mar mvt \$	Mar 2020 \$
ASSETS						
Cash (incl cheque account)		430,738	520,673	1,499,643	(89,935)	87,403
Term Deposits	1	0	0	0	0	2,161,641
Trade Debtors	2	21,785	32,421	136,923	(10,636)	9,309
Stock on Hand	3	49,701	35,120	10,137	14,581	21,477
Other		43,164	105,368	40,753	(62,204)	18,927
<i>Total Current Assets</i>		<u>545,388</u>	<u>693,582</u>	<u>1,687,456</u>	<u>(148,194)</u>	<u>2,298,757</u>
Land & Buildings - at Directors valuation		20,081,112	20,081,112	20,081,112	0	19,649,990
Building Additions (net of depreciation)	4	1,080,181	1,072,311	1,068,638	7,870	52,242
		<u>21,161,293</u>	<u>21,153,423</u>	<u>21,149,750</u>	<u>7,870</u>	<u>19,702,232</u>
Furniture & Fittings (net of depreciation)	4	239,993	230,920	190,749	9,073	58,222
Plant & Equipment (net of depreciation)	4	235,228	205,988	166,481	29,240	102,656
		<u>475,221</u>	<u>436,908</u>	<u>357,230</u>	<u>38,313</u>	<u>160,878</u>
<i>Total Fixed Assets</i>		<u>21,636,514</u>	<u>21,590,331</u>	<u>21,506,980</u>	<u>46,183</u>	<u>19,863,110</u>
<i>Total Assets</i>		<u>22,181,902</u>	<u>22,283,913</u>	<u>23,194,436</u>	<u>(102,011)</u>	<u>22,161,867</u>
LIABILITIES						
Trade Creditors & Accruals		175,494	236,906	205,807	(61,412)	70,155
Members Subscriptions not taken to income	5	127,054	252,166	383,966	(125,112)	121,087
Development Fund not taken to income	6	0	0	83,685	0	0
Employee Entitlements		30,006	24,719	22,946	5,287	19,984
<i>Total Current Liabilities</i>		<u>332,554</u>	<u>513,791</u>	<u>696,404</u>	<u>(181,237)</u>	<u>211,226</u>
Total Net Assets		<u>21,849,348</u>	<u>21,770,122</u>	<u>22,498,032</u>	<u>79,226</u>	<u>21,950,641</u>
EQUITY						
Retained Earnings		1,833,522	1,833,522	1,833,522	0	1,584,406
Current Year Earnings	7	(573,624)	(648,775)	85,927	75,151	254,717
Future Development Fund Donations	8	1,398,936	1,394,861	1,388,069	4,075	921,004
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	262,300
Total Equity		<u>21,849,348</u>	<u>21,770,122</u>	<u>22,498,032</u>	<u>79,226</u>	<u>21,950,641</u>

Notes

For members information the balance sheet as at March 2020 has been inserted, this 'like for like' comparison removes the 'seasonality' of numbers.

Comments on March 2021 balances

- 1 Monies placed on deposit from receipts of annual Members subscriptions & Members donations to the Future Development Fund. All monies withdrawn from the term deposits to fund the R&R Project.
- 2 Includes outstanding monies owing on Subscriptions, entrance fees, boatshed/mooring storage and the Trippas White account
- 3 Includes results of food, beverage & merchandise stocktake conducted at 31 March 2021. At 30 September 2020 the Club was closed for the R&R Project.
- 4 Balances include depreciation for December quarter 2020 (calc on a monthly basis), together with Renovation & Remediation investigative and Project costs that have been capitalized. The Club re-opened to members on 31 October 2020.
- 5 Balance reflects Members annual subscriptions that have not been taken to income at 31/03/2021. Subscription income is taken to the income account on an equal monthly basis.
- 6 Includes Development Fund levies received from Members not taken to income at 31 March 2021. Levies were transferred to income in November 2020.
- 7 March balance equates to the year to date income & expense account including costs of the R&R project that have not been capitalized, these costs include building repair costs and amount to \$876,160 (written off in the December quarter).
- 8 Represents Future Development Fund donations received from Members, all donations received have been applied to the downstairs portion of the R&R project.
- 9 Represents accumulated unspent monies received from the annual Development levy, charged to members. Will be spent on future capital works.

ROYAL PRINCE EDWARD YACHT CLUB
Unaudited Income & Expense account for the 9 months to 31 March 2021

	3 mths Sept 2020	3 mths Dec 2020	3 mths Mar 2021	Total 9 Mths Mar 2021	Total 9 Mths Mar 2020	Variance \$
Bar Trading						
Bar sales	0	125,172	167,693	292,865	285,374	7,491
Net bar purchases (after allowing for stock mvmts)	(1,863)	(56,801)	(71,733)	(130,197)	(131,982)	1,785
Gross Profit	(1,863)	68,371	95,960	162,668	153,392	9,276
Gross margin	#DIV/0!	55%	57%	56%	54%	
Employee costs	(1,890)	(13,184)	(12,304)	(27,178)	(35,189)	7,991
Other bar associated costs	#DIV/0!	-10.5%	-7.3%	-9.3%	-12.3%	
	0	(4,178)	(8,871)	(13,049)	(22,101)	9,052
	(3,353)	51,009	74,785	122,441	96,122	26,319
Catering						
Income from Catering	0	114,045	146,657	260,702	268,443	(7,741)
Catering costs	(30,840)	(163,543)	(196,817)	(390,800)	(423,070)	32,270
	(30,840)	(49,498)	(49,960)	(130,098)	(154,627)	24,529
	(33,893)	1,511	24,825	(7,657)	(58,505)	50,848
Total Bar & Catering profit/ (Loss)						
Subscriptions						
Annual subscriptions - Membership	128,139	129,075	129,075	386,289	359,320	26,969
Annual subscriptions - Sailing Australia affiliation fees	0	0	0	0	16,658	(16,658)
Entrance fees	29,780	20,270	22,189	72,239	72,906	(667)
Annual Development Fund Levy	0	83,370	900	84,270	82,480	1,790
	157,919	232,715	152,164	542,798	531,364	11,434
Boat Racing						
Income	6,318	10,350	2,686	19,364	29,326	(9,972)
Expenses	(588)	(5,224)	(8,496)	(14,308)	(21,430)	7,122
	5,730	5,126	(5,810)	5,046	7,896	(2,850)
Boat Maintenance, Boatshed, Moorings & Jetty						
Income	12,303	12,170	12,746	37,219	39,595	(2,376)
Maritime jetty rent	(1,009)	(1,009)	(987)	(3,005)	(2,821)	(184)
Club moorings & boats	(14,399)	(5,528)	(5,200)	(25,127)	(29,309)	4,182
	(3,105)	5,633	6,559	9,087	7,465	1,622

General comments on presentation:**Explanations**

- a FY2021 Subscriptions are taken to income on an equal monthly basis, currently approx. \$43,025 pm. FY2021 income forecast to be approx. \$521k.
- 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, FY2021 monies of \$83K allocated to income in November 2020.
- e Targeted gross profit margin on bar sales targeted at greater than 55% for 2020/2021 up from 53% in 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 functions.
- j Costs includes the costs of running the catering and function services, provided by Trippas White, provided to Members.
- k Income received from Members and their invited guests attending special Club functions, not included in the catering function. Includes Younger Member functions, Bridge, WOW and Sunday series.
- l Represents income received from funds on deposit, at differing interest rates and differing term periods depending on Club forecast requirements, excludes interest on Future Development Fund monies
- m Includes merchant fees recovered, merchandise sales and other income plus Covid-19 Gov't assistance.
- 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 Annual affiliation fee payable to Sailing Australia.
- 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.

Comments

- 1 Club closed for the entire September 2020 quarter, reopened on 31 October 2020. Club has been trading at near full capacity since reopening, subject to Covid-19 attendance restrictions. Additional temporary staff have been employed to service Members during the restrictions.
- 2 Includes additional TWG salary costs during Club closure, as Club continued to pay TWG permanent staff during R&R closure. Gov't assistance was received during Covid restrictions for both Club and TWG employees.
- 3 Additional Covid-19 related costs (security and additional staff) are included in the results since reopening.
- 4 Sailing Australia Affiliation fees are now included in annual subscriptions, previously they were separated.
- 5 Income reduced as sailing events (and race management activities) were cancelled due to Covid-19.
- 6 All funds on deposit have been recalled to the operating account (which receives no interest), to fund the R&R Project, additionally deposit rates have decreased compared to prior year.
- 7 Other income largely represented by Gov't assistance during Covid of \$18k.
- 8 Income reduced as scheduled Club functions were cancelled due to Covid-19 restrictions and closure of Club for the R&R Project.
- 9 Expenses include Member donation functions, R&R completion BBQ, Making Waves sponsorship lunch and Younger Members function..
- 10 Timing difference as expense expected later in the year. Affiliation fee has been reduced, due to Covid-19
- 11 Reduced costs due to Club closure, refer separate analysis schedule for Other Expenses.
- 12 R&M costs increased in the March 2021 quarter as small R&M repairs, not included in the larger R&R project were completed.
- 13 Employee costs include remote office costs whilst Club closed, as administration function continued remotely during Club closure.
- 14 Depreciation expense has increased as costs include depreciation on new capital depreciable components included in the R&R Project
- 15 Expense includes repairs, maintenance and refurbishment costs, included in the R&R Project, that are required under Australian Accounting Standards to be written off against income in the current year. The amount of the write off is \$876,160.

Other Expenses	Qtr	Qtr	Qtr	Total	Total	Variance
	3 mths Sept 2020 \$	3 mths Dec 2020 \$	3 mths Mar 2021 \$	9 Mths Mar 2021 \$	9 Mths Mar 2020 \$	
5-6000 Club clothing & Sundry expenses	0	(1,495)	(2,000)	(3,495)	(2,425)	(1,070)
6-1000 Accounting costs & temporary administration staff	(3,045)	(6,185)	(6,155)	(15,385)	(15,021)	636
6-1005 Auditors remuneration	(2,500)	(2,500)	(2,500)	(7,500)	(8,150)	650
6-1200 Bank charges	(205)	(60)	(123)	(388)	(410)	22
6-1202 Merchant fees	(1,122)	(817)	(210)	(2,149)	(2,840)	691
6-1300 Cleaning services & supplies	0	(6,644)	(11,101)	(17,745)	(24,025)	6,280
6-1308 Computer expenses	(1,181)	(1,613)	(1,029)	(3,823)	(1,954)	(1,869)
6-1311 Consulting Fees (Noise consulting in FY2020)	0	0	(160)	(160)	(19,550)	19,390
6-1600 Filing fees	0	(164)	(332)	(496)	(110)	(386)
6-1605 Garbage	(213)	(266)	(1,477)	(1,956)	(3,096)	1,140
6-1630 General expenses	0	(5,428)	(5,297)	(10,725)	(1,950)	(8,775)
6-1700 Insurance	(5,152)	(17,969)	(9,764)	(32,885)	(31,492)	(1,393)
6-1800 interest expense	0	0	0	0	0	0
6-2000 Legal fees	0	0	0	0	(1,288)	1,288
6-2100 Licensing Fees	(178)	0	0	(178)	(73)	(105)
6-2110 Utilities - Power, water & gas	2,302	(3,902)	(4,117)	(5,717)	(16,530)	10,813
6-2300 Printing, postage & stationary (including development update circulars to members)	(838)	(595)	(772)	(2,205)	(6,478)	4,273
6-2360 Rates & taxes	(7,456)	(7,454)	(7,454)	(22,364)	(22,621)	257
6-2450 Security & Fire protection	(1,696)	(382)	(2,718)	(4,796)	(4,289)	(507)
6-2468 Subscriptions	0	(887)	(164)	(1,051)	(1,079)	28
6-2470 Telephone, internet & Foxtel (including additional Foxtel charges)	(903)	(2,674)	(2,922)	(6,499)	(8,362)	1,863
6-2475 Training	0	0	0	0	(400)	400
Allocation to bar/catering (Utilities, telephones etc)	0	6,000	6,000	12,000	18,000	(6,000)
	<u>(22,187)</u>	<u>(53,035)</u>	<u>(52,295)</u>	<u>(127,517)</u>	<u>(155,143)</u>	<u>27,626</u>

No cleaning undertaken during Club R&R closure

2020 costs included noise monitoring

Less garbage accumulated during Club R&R closure
2020 costs include preparation costs for R&R Project

Increases in insurance premiums

Savings as lower power consumption during Club R&R closure, additionally new solar panels have reduced electricity charges since reopening

Savings as 2020 AGM documents emailed to Members, previously documents posted to Members

Foxtel charges suspended during Club R&R closure

Reduced allocation of costs as Beverage / Food streams not operating during R&R Project closure