

ROYAL PRINCE EDWARD YACHT CLUB

UNAUDITED BALANCE SHEET

AS AT 31 DECEMBER 2022

AND

INCOME & EXPENSE STATEMENT

FOR THE 6 MONTHS ENDING 31 DECEMBER 2022

ROYAL PRINCE EDWARD YACHT CLUB
Unaudited Income & Expense account for the 6 months to 31 December 2022

	3 mths Sept 2022 \$	3 mths Dec 2022 \$	Total 6 Mths Dec 2022 \$	Total 6 Mths Dec 2021 \$	Variance \$
Net Operating Surplus (after depreciation and before R&R building repairs)	(52,721)	128,355	75,634	91,020	(15,386)
R&R building repairs	0	0	0	0	0
Current Year Earnings	<u>(52,721)</u>	<u>128,355</u>	<u>75,634</u>	<u>91,020</u>	
<i>Net Surplus prior period (excl bldg repairs)</i>	32,186	58,834	91,020		

General Commentary

6 Mths to December 2020: Club closed from 1 July to 31 October 2020 (R&R)
6 Mths to December 2021: Club closed from 1 July to 15 October 2021 (Covid)
6 Mths to December 2022: Club open.

Limited comparatives can be made with prior year corresponding numbers, due to the Club's closure and Covid impacting the Club's operations.

The Club incurred a loss in the quarter ended 30 September 2022 (FY2023), largely due to costs of the 2 centenary functions held on 4 August at the Club and on 18 September at the Royal Sydney Golf Club. These centenary costs were budgeted.

In the prior corresponding September quarter (FY2022) the Club was closed due to Covid. The surplus achieved in that period reflected subscriptions less fixed expenses.

In the quarter ended 31 December 2022 (FY2023) the Club held the Centenary Regatta on 16 November 2022, which was sponsored and the Club family day / Children's Christmas party on 4 December 2022. These centenary costs were budgeted.

The Club enjoyed a most successful quarter, with high beverage and food revenues, far exceeding the Board approved FY2023 budgets, unfortunately associated costs were also high.

In November 2022 the balance of the FY2023 Development levy (charged to members in July) was transferred to income. This fund of \$141,275 will be used on capital expenditures not operational costs (wharf capital costs) in the remainder of FY2023.

Expenditures this 6 months (YTD FY2023) are above those of the prior corresponding period as the Club was open for the full 6 months and operating variable costs were included.

ROYAL PRINCE EDWARD YACHT CLUB

Unaudited Balance sheet as at 31 December 2022

	Notes	Dec 2022 \$	Sept 2022 \$	Sept to Dec mvt \$	Dec 2021 \$
ASSETS					
Cash (incl cheque account)		380,497	874,379	(493,882)	567,945
Term Deposits	1	0	0	0	0
Trade Debtors	2	1,163	152,857	(151,694)	96,321
Stock on Hand	3	68,162	51,613	16,549	49,434
Other		97,835	76,171	21,664	54,305
<i>Total Current Assets</i>		<u>547,657</u>	<u>1,155,020</u>	<u>(607,363)</u>	<u>768,005</u>
Land & Buildings - at Directors valuation		29,400,000	29,400,000	0	29,400,000
Building Additions (net of depreciation)	4	0	0	0	(3,379)
		<u>29,400,000</u>	<u>29,400,000</u>	<u>0</u>	<u>29,396,621</u>
Furniture & Fittings (net of depreciation)	4	226,357	227,724	(1,367)	254,390
Plant & Equipment (net of depreciation)	4	731,304	334,980	396,324	312,074
		<u>957,661</u>	<u>562,704</u>	<u>394,957</u>	<u>566,464</u>
<i>Total Fixed Assets</i>		<u>30,357,661</u>	<u>29,962,704</u>	<u>394,957</u>	<u>29,963,085</u>
<i>Total Assets</i>		<u>30,905,318</u>	<u>31,117,724</u>	<u>(212,406)</u>	<u>30,731,090</u>
LIABILITIES					
Trade Creditors & Accruals		192,550	256,826	(64,276)	203,110
Members Subscriptions not taken to income	5	277,842	421,075	(143,233)	265,700
Development Fund not taken to income	6	0	142,730	(142,730)	0
Employee Entitlements		34,898	32,734	2,164	26,918
<i>Total Current Liabilities</i>		<u>505,290</u>	<u>853,365</u>	<u>(348,075)</u>	<u>495,728</u>
Total Net Assets		<u>30,400,028</u>	<u>30,264,359</u>	<u>135,669</u>	<u>30,235,362</u>
EQUITY					
Retained Earnings		2,871,320	2,871,320	0	2,840,243
Current Year Earnings	7	75,634	(52,721)	128,355	91,019
Future Development Fund Donations & interest	8	69,167	61,853	7,314	4,158
Asset Revaluation Reserve		27,212,922	27,212,922	0	27,212,922
Development Fund		170,985	170,985	0	85,020
Total Equity		<u>30,400,028</u>	<u>30,264,359</u>	<u>135,669</u>	<u>30,233,362</u>

Notes

For members information the balance sheet as at December 2021 has been inserted, this 'like for like' comparison removes the 'seasonality' of numbers.

Decrease in cash on hand largely reflects capital expenditure on the wharf project.

Comments on December 2022 balances

- 1 Monies placed on deposit from receipts of annual Members subscriptions & Members donations to the Future Development Fund. All monies have been withdrawn from the term deposits to fund the major R&R and wharf projects
- 2 Includes outstanding monies owing on subscriptions, entrance fees, boatshed / mooring storage fees and the Trippas White monthly account.
- 3 Includes results of food, beverage & merchandise stocktake conducted at 31 December 2022.
- 4 Balances include depreciation for the December quarter 2022 (calc on a monthly basis). P&E balance includes wharf investigative costs and pontoon construction.
- 5 Balance reflects Members annual subscriptions that have not been taken to income at 31/12/2022. 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 December 2022. Levies were transferred to income in November 2022.
- 7 December balance equates to the year to date income & expense account.
- 8 Represents Future Development Fund donations received from Members, after allocation to the downstairs portion of the R&R project. The balance at December 2022 includes wharf donations.

ROYAL PRINCE EDWARD YACHT CLUB
Unaudited Income & Expense account for the 6 months to 31 December 2022

	Comment Note	3 mths Sept 2022 \$	3 mths Dec 2022 \$	Total 6 Mths Dec 2022 \$	Total 6 Mths Dec 2021 \$	Variance \$	
Bar Trading							
Bar sales	1	103,808	208,336	312,144	116,057	196,087	
Net bar purchases (after allowing for stock mvmts)		(39,459)	(96,431)	(135,890)	(50,398)	(85,492)	
Gross Profit		64,349	111,905	176,254	65,659	110,595	
<i>Gross margin</i>	e	62%	54%	56%	57%		
Employee costs	f, 2	(12,160)	(10,748)	(22,908)	(32,415)	9,507	
Other bar associated costs	g, 1	(7,690)	(9,145)	(16,835)	(10,654)	(6,181)	
		44,499	92,012	136,511	22,590	113,921	
Catering							
Income from Catering	i, 1	98,975	184,436	283,411	101,712	181,699	
Catering costs	j, 3	(187,299)	(274,258)	(461,557)	(245,757)	(215,800)	
		(88,324)	(89,822)	(178,146)	(144,045)	(34,101)	
Total Bar & Catering Profit/ (Loss)	4	(43,825)	2,190	(41,635)	(121,455)	79,820	
Subscriptions							
Annual subscriptions - Membership	a	139,176	139,176	278,352	262,981	15,371	5.8%
Annual subscriptions - Sailing Australia affiliation fees	b	0	0	0	0	0	
Entrance fees	c, 5	10,185	10,185	20,370	38,119	(17,749)	
Annual Development Fund Levy	d	0	141,275	141,275	84,165	57,110	
		149,361	290,636	439,997	385,265	54,732	
Boat Racing							
Income	6	16,659	3,475	20,134	15,959	4,175	
Centenary regatta sponsorship	7	19,963	32,881	52,844	0	52,844	
Centenary regatta expenses	7	(22,007)	(52,680)	(74,687)	0	(74,687)	
Expenses	6	(5,414)	(9,560)	(14,974)	(5,022)	(9,952)	
		9,201	(25,884)	(16,683)	10,937	(27,620)	
Boat Maintenance, Boatshed, Moorings & Jetty							
Income	8	11,520	12,160	23,680	28,812	(5,132)	
Maritime jetty rent		(1,062)	(1,061)	(2,123)	(2,453)	330	
Club moorings, boatshed & boats - R&M	h, 9	(20,493)	(7,206)	(27,699)	(20,280)	(7,419)	
		(10,035)	3,893	(6,142)	6,079	(12,221)	
Sundry Income							
Club Functions	k, 10	13,311	26,835	40,146	6,686	33,460	
Interest	l, 11	0	12	12	0	12	
Other	m, 12	3,712	8,136	11,848	19,404	(7,556)	
		17,023	34,983	52,006	26,090	25,916	
Expenses							
Club functions & Committee costs	n, 10	(6,873)	(13,686)	(20,559)	(7,970)	(12,589)	
Centenary Functions - net expenses	15	(53,646)	(28,122)	(81,768)	0	(81,768)	
Other repairs & maintenance	16	(2,480)	(5,643)	(8,123)	(26,416)	18,293	
Employee costs	o, 13	(39,373)	(46,413)	(85,786)	(51,559)	(34,227)	
Sailing Australia affiliation fee	p	(4,354)	(4,353)	(8,707)	(7,804)	(903)	
Other (refer additional schedule)	q, 14	(55,336)	(66,849)	(122,185)	(97,281)	(24,904)	
		(162,062)	(165,066)	(327,128)	(191,030)	(136,098)	
Operating Surplus		(40,337)	140,752	100,415	115,886	(15,471)	
Depreciation		(12,384)	(12,397)	(24,781)	(24,867)	86	
Net operating Income FY2023 (YTD)		(52,721)	128,355	75,634	91,019	(15,385)	
Net Operating Surplus FY 2022		32,186	195,199	227,385	227,385		
Future Development Fund Donations FY2023 (YTD) (not included in above figures)	r	23,552	7,314	30,866	2,068		

General comments on income and expense account :

Explanations

- a FY2023 Subscriptions are taken to income on an equal monthly basis, currently approx. \$46,392 pm. FY2023 income forecast to be approx. \$558k, being an increase of approx 6%.
- b Subscriptions now include Sailing Australia affiliation fees.
- c Entrance fees are taken to income when the new Member is charged.
- d Represents monies collected specifically for capital projects, FY2023 monies of \$141K were allocated to income in November 2022.
- e Targeted gross profit margin on bar sales targeted at greater than 55% for FY2023, same as prior year.
- f Represents an allocation of total salaries to run the bar.
- g Includes stocktaking fee; gas bottles; bar sundries; and an allocation from administration expenses of 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, WOW & Younger Member functions.
- j Costs include the costs of running the catering and function services, provided by Trippas White, for Members 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 (prior year).
- 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 (includes Club Secretary and Operations Manager).
- p Pro rata annual affiliation fee payable to Sailing Australia, based on Club banding, not on membership numbers.
- q Other costs include rates & taxes, internal cleaning costs, insurance, accounting & audit costs and other operating costs required to run the Club, details attached as 'Other Expenses'.
- r Members donations made towards the Future Development Fund, which is considered outside normal operating activities and thus shown separately.

Comments

- 1 The Beverage and Catering functions should be viewed as the one income stream as both functions compliment each other. Limited comparatives can be made with prior period corresponding numbers, due to the Club's closure and Covid impacting the Club's operations. The Club experienced huge increases in food & beverage trading in the December 2022 quarter, resulting from the centenary functions and increased member use, incl private member functions. The prior December 2021 quarter was impacted by Covid. Margins are consistent with budgets and prior year actuals.
- 2 YTD FY2023 costs reflect full period of trading, prior corresponding period negatively impacted as TWG was unable to claim Gov't Covid relief (FY2022), however Club continued to pay full time TWG employees.
- 3 Catering costs, as a percentage of income decreased between the first 2 quarters of FY2023, however still exceeded revenue. Prior period comparative impacted by Covid and thus are incomparable.
- 4 The Beverage and catering functions should be viewed as the one income stream as both functions compliment each other. The loss reflects a full 6 months trading and incorporates non-specific costs associated with the centenary functions.
- 5 Income from new members joining the Club. Membership of the Club is now full with a growing waiting list. New members are admitted when vacancies exist.
- 6 Timing difference as the prior year fees and expenses were incurred later in FY2022 as the sailing season was delayed by Covid restrictions.
- 7 The income represents pro rata sponsorship from the Renault Group, who have generously contributed \$45,000 to the running of the Centenary regatta, additionally the centenary trophy was donated to the Club by a very generous member, the cost of which is included as donation income. This income figure also includes regatta entrance fees. The expenses reflect costs incurred in running the Centenary regatta, together with the evening celebrations.
- 8 Reduction in income reflects some moorings remaining vacant (covid impacted)
- 9 Increased costs in FY2023 reflect increased costs on maintaining the 3 small club tenders (Wawn, Rib & Duffy) due to their age and Club members' misuse.
- 10 YTD FY2023 sundry income largely comprised of Staff wage recovery costs from Members functions (\$24,425) and Bridge income (\$11,291). Costs of functions include Bridge organisational costs, Making Waves Foundation (sailing sponsorship) and misc Club functions.
- 11 All funds on deposit were recalled to the operating account (which receives no interest), to fund the R&R Project and the wharf investigative costs. Deposit rates remained very low in both years.
- 12 Sundry income largely includes merchandise (clothing sales) merchant fees recovered and misc income.
- 13 Employee costs include salary cost of Operations Manager who commenced in November 2021.
- 14 Increased costs in FY2023 compared to FY2022 due to Club being fully open. Refer to separate 'Other Expenses' schedule for detailed explanations.
- 15 YTD FY2023 costs reflect net costs of the 3 Members centenary functions (4 August 2022 general meeting, RSGC afternoon celebration and the December family day / Childrens Christmas party). Costs were budgeted.
- 16 R&M costs where possible have been deferred until the completion of the wharf project. Also minor repairs have been completed by the Operations Manager rather than using external contractors.

Other Expenses

	Qtr 3 mths Sept 2022 \$	Qtr 3 mths Dec 2022 \$	Total 6 Mths Dec 2022 \$	Total 6 Mths Dec 2021 \$	Variance \$	
5-6000 Club clothing & Sundry expenses	(1,550)	(7,792)	(9,342)	(1,425)	(7,917)	
6-1000 Accounting costs & temporary administration staff	(4,283)	(7,667)	(11,950)	(11,094)	(856)	
6-1005 Auditors remuneration	(2,875)	(3,525)	(6,400)	(5,525)	(875)	
6-1200 Bank charges	(223)	(67)	(290)	(209)	(81)	
6-1202 Merchant fees	(1,238)	(650)	(1,888)	(1,556)	(332)	
6-1300 Cleaning services & supplies	(11,324)	(11,103)	(22,427)	(11,072)	(11,355)	No clubhouse cleaning costs during Club shutdown up to 15 October 2021 (prior year - FY2022) YTD FY2023 includes website redesign and computer repairs
6-1309 Computer expenses	(3,450)	(2,894)	(6,344)	(3,482)	(2,862)	
6-1311 Consulting Fees	0	0	0	0	0	
6-1600 Filing fees	(21)	(87)	(108)	0	(108)	
6-1605 Garbage	(1,906)	(1,938)	(3,844)	(2,119)	(1,725)	Prior year - (FY2022) - less garbage accumulated during covid Club closure
6-1630 General expenses	(556)	(704)	(1,260)	(1,801)	541	
6-1700 Insurance	(14,198)	(13,908)	(28,106)	(25,102)	(3,004)	YTD FY2023 - Increased policy costs due to ISR policy increases (general floods & fires)
6-1800 Interest expense	0	0	0	0	0	
6-2000 Legal fees	0	(3,092)	(3,092)	(3,000)	(92)	YTD 2023 - Includes review costs of new Operations Manager employment agreement.
6-2100 Licensing Fees	(372)	(77)	(449)	(74)	(375)	
6-2110 Utilities - Power, water & gas	(1,897)	(5,285)	(7,182)	(5,154)	(2,028)	Prior year (FY2022) included approx \$3,700 credit on account relating to prior period.
6-2300 Printing, postage & stationary (including circulars to members)	(409)	(557)	(966)	(1,639)	673	
6-2360 Rates & taxes	(7,758)	(7,754)	(15,512)	(15,206)	(306)	
6-2450 Security & Fire protection	(5,166)	(1,851)	(7,017)	(10,051)	3,034	Additional perimeter security undertaken in prior year (FY2022) to ensure only members were utilising the Club and that they were vaccinated (Covid requirements).
6-2468 Subscriptions	(1,132)	0	(1,132)	(891)	(241)	
6-2470 Telephone, internet & Foxtel	(2,978)	(3,898)	(6,876)	(3,881)	(2,995)	Prior year (FY2022) - Foxtel charges suspended during Club closure (Covid).
6-2475 Training	0	0	0	0	0	
Allocation to bar/catering (Utilities, telephones etc)	6,000	6,000	12,000	6,000	6,000	Prior year (FY2022) - no allocation to operations during Club closure .
	<u>(55,336)</u>	<u>(66,849)</u>	<u>(122,185)</u>	<u>(97,281)</u>	<u>(24,904)</u>	