

ROYAL PRINCE EDWARD YACHT CLUB

UNAUDITED BALANCE SHEET

AS AT 31 MARCH 2023

AND

INCOME & EXPENSE STATEMENT

FOR THE 9 MONTHS ENDING 31 MARCH 2023

ROYAL PRINCE EDWARD YACHT CLUB
Unaudited Income & Expense account for the 9 months to 31 March 2023

	3 mths Sept 2022 \$	3 mths Dec 2022 \$	3 mths Mar 2023 \$	Total 9 Mths Mar 2023 \$	Total 9 Mths Mar 2022 \$	Variance \$
Net Operating Surplus (after depreciation and before R&R building repairs)	(52,721)	128,355	45,010	120,644	97,469	23,175
R&R building repairs	0	0	0	0	0	
Current Year earnings	<u>(52,721)</u>	<u>128,355</u>	<u>45,010</u>	<u>120,644</u>	<u>97,469</u>	
<i>Net Income prior period</i>	32,186	58,834	6,449		97,469	

General Commentary

- 9 Mths to March 2021:** Club closed from 1 July to 31 October 2020 (R&R)
9 Mths to March 2022: Club closed from 1 July to 15 October 2021 (Covid)
9 Mths to March 2023: 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 December 2022 quarter, with high beverage and food revenues, far exceeding the Board approved FY2023 budgets for that period, 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.

The Club continued to enjoy success in the March 2023 quarter, once activities had settled from the centenary functions, with beverage and food revenues exceeding the Board approved FY2023 budgets, associated costs continued to be high. Any available surplus funds were directed to the wharf pontoon construction and wharf repairs.

ROYAL PRINCE EDWARD YACHT CLUB

Unaudited Balance sheet as at 31 March 2023

	Notes	Mar 2023 \$	Dec 2022 \$	Sept 2022 \$	Dec to Mar mvt \$	Mar 2022 \$
ASSETS						
Cash (incl cheque account)		219,559	380,497	874,379	(160,938)	430,738
Term Deposits	1	0	0	0	0	0
Trade Debtors	2	22,523	1,163	152,857	21,360	21,785
Stock on Hand	3	53,172	68,162	51,613	(14,990)	49,701
Other		36,298	97,835	76,171	(61,537)	43,164
<i>Total Current Assets</i>		<u>331,552</u>	<u>547,657</u>	<u>1,155,020</u>	<u>(216,105)</u>	<u>545,388</u>
Land & Buildings - at Directors valuation		29,400,000	29,400,000	29,400,000	0	20,081,112
Building Additions (net of depreciation)	4	0	0	0	0	1,080,181
		<u>29,400,000</u>	<u>29,400,000</u>	<u>29,400,000</u>	<u>0</u>	<u>21,161,293</u>
Furniture & Fittings (net of depreciation)	4	217,171	226,357	227,724	(9,186)	239,993
Plant & Equipment (net of depreciation)	4	721,380	731,304	334,980	(9,924)	235,228
		<u>938,551</u>	<u>957,661</u>	<u>562,704</u>	<u>(19,110)</u>	<u>475,221</u>
<i>Total Fixed Assets</i>		<u>30,338,551</u>	<u>30,357,661</u>	<u>29,962,704</u>	<u>(19,110)</u>	<u>21,636,514</u>
<i>Total Assets</i>		<u>30,670,103</u>	<u>30,905,318</u>	<u>31,117,724</u>	<u>(235,215)</u>	<u>22,181,902</u>
LIABILITIES						
Trade Creditors & Accruals		52,506	192,550	256,826	(140,044)	175,494
Members Subscriptions not taken to income	5	141,639	277,842	421,075	(136,203)	127,054
Development Fund not taken to income	6	0	0	142,730	0	0
Employee Entitlements		28,919	34,898	32,734	(5,979)	30,006
<i>Total Current Liabilities</i>		<u>223,064</u>	<u>505,290</u>	<u>853,365</u>	<u>(282,226)</u>	<u>332,554</u>
Total Net Assets		<u>30,447,039</u>	<u>30,400,028</u>	<u>30,264,359</u>	<u>47,011</u>	<u>21,849,348</u>
EQUITY						
Retained Earnings		2,871,320	2,871,320	2,871,320	0	1,833,522
Current Year Earnings	7	120,644	75,634	(52,721)	45,010	(573,624)
Future Development Fund Donations & Interest	8	71,168	69,167	61,853	2,001	1,398,936
Asset Revaluation Reserve		27,212,922	27,212,922	27,212,922	0	18,928,214
Development Fund	9	170,985	170,985	170,985	0	262,300
Total Equity		<u>30,447,039</u>	<u>30,400,028</u>	<u>30,264,359</u>	<u>47,011</u>	<u>21,849,348</u>

Notes

For members information the balance sheet as at March 2022 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 March 2023 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 wharf & R&R projects.
- 2 Includes outstanding monies owing on subscriptions, entrance fees, boatshed/mooring, storage and the Trippas White monthly account
- 3 Includes results of food, beverage & merchandise stocktake conducted at 31 March 2023.
- 4 Balances include depreciation for the March quarter 2023 (calc on a monthly basis). P&E balance includes wharf investigative costs and pontoon construction. Wharf pontoon depreciation commenced 1 January 2023.
- 5 Balance reflects Members annual subscriptions that have not been taken to income at 31/03/2023. 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 2023. Levies were transferred to income in November 2022.
- 7 March 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 March 2023 includes wharf donations.
- 9 Represents accumulated unspent monies received from the annual Development levy, charged to Members. Fund will be spent on future capital works.

ROYAL PRINCE EDWARD YACHT CLUB
Unaudited Income & Expense account for the 9 months to 31 March 2023

	Comment Note	3 mths Sept 2022 \$	3 mths Dec 2022 \$	3 mths Mar 2023 \$	Total 9 Mths Mar 2023 \$	Total 9 Mths Mar 2022 \$	Variance \$	
Bar Trading								
Bar sales	1	103,808	208,336	161,062	473,206	224,369	248,837	
Net bar purchases (after allowing for stock mvts)		(39,459)	(96,431)	(70,269)	(206,159)	(96,073)	(110,086)	
Gross Profit		<u>64,349</u>	<u>111,905</u>	<u>90,793</u>	<u>267,047</u>	<u>128,296</u>	<u>138,751</u>	
<i>Gross margin</i>	e	62%	54%	56%	56%	57%		
Employee costs	f,2	(12,160)	(10,748)	(11,668)	(34,576)	(47,307)	12,731	-26.9%
Other bar associated costs	g,1	(7,690)	(9,145)	(6,849)	(23,684)	(19,011)	(4,673)	
		<u>44,499</u>	<u>92,012</u>	<u>72,276</u>	<u>208,787</u>	<u>61,978</u>	<u>146,809</u>	
Catering								
Income from Catering	i, 1	98,975	184,436	146,204	429,615	194,811	234,804	120.5%
Catering costs	j, 3	(187,299)	(274,258)	(239,615)	(701,172)	(407,921)	(293,251)	-71.9%
		<u>(88,324)</u>	<u>(89,822)</u>	<u>(93,411)</u>	<u>(271,557)</u>	<u>(213,110)</u>	<u>(58,447)</u>	
Total Bar & Catering profit/ (Loss)	4	<u>(43,825)</u>	<u>2,190</u>	<u>(21,135)</u>	<u>(62,770)</u>	<u>(151,132)</u>	<u>88,362</u>	
Subscriptions								
Annual subscriptions - Membership	a	139,176	139,176	140,009	418,361	395,354	23,007	5.8%
Annual subscriptions - Sailing Australia affiliation fees	b	0	0	0	0	0	0	
Entrance fees	c,5	10,185	10,185	26,445	46,815	61,348	(14,533)	
Annual Development Fund Levy	d	0	141,275	2,500	143,775	85,365	58,410	
		<u>149,361</u>	<u>290,636</u>	<u>168,954</u>	<u>608,951</u>	<u>542,067</u>	<u>66,884</u>	
Boat Racing								
Income	6	16,659	3,475	1,168	21,302	16,991	4,311	
Centenary regatta sponsorship	7	19,963	32,881	0	52,844		52,844	
Centenary regatta expenses	7	(22,007)	(52,680)	0	(74,687)		(74,687)	
Expenses	6	(5,414)	(9,560)	(8,278)	(23,252)	(12,694)	(10,558)	
		<u>9,201</u>	<u>(25,884)</u>	<u>(7,110)</u>	<u>(23,793)</u>	<u>4,297</u>	<u>(28,090)</u>	
Boat Maintenance, Boatshed, Moorings & Jetty								
Income	8	11,520	12,160	13,408	37,088	39,637	(2,549)	-6.4%
Maritime jetty rent		(1,062)	(1,061)	(1,039)	(3,162)	(3,447)	285	
Club moorings & boats	h,9	(20,493)	(7,206)	(3,984)	(31,683)	(32,881)	1,198	
		<u>(10,035)</u>	<u>3,893</u>	<u>8,385</u>	<u>2,243</u>	<u>3,309</u>	<u>(1,066)</u>	
Sundry Income								
Club Functions	k,10	13,311	26,835	32,246	72,392	15,498	56,894	367.1%
Interest	l,11	0	12	25	37	0	37	

Other	m,12	3,712	8,136	4,714	16,562	21,558	(4,996)	
		<u>17,023</u>	<u>34,983</u>	<u>36,985</u>	<u>88,991</u>	<u>37,056</u>	<u>51,935</u>	
Expenses								
Club functions & Committee costs	n,10	(6,873)	(13,686)	(15,118)	(35,677)	(15,733)	(19,944)	
Centenary Functions - net expenses	15	(53,646)	(28,122)	(1,909)	(83,677)		(83,677)	
Other repairs & maintenance	16	(2,480)	(5,643)	(3,910)	(12,033)	(31,755)	19,722	
Employee costs	o,13	(39,373)	(46,413)	(41,396)	(127,182)	(91,449)	(35,733)	39.1%
Sailing Australia affiliation fee	p,	(4,354)	(4,353)	(4,260)	(12,967)	(11,636)	(1,331)	
Other	q,14	(55,336)	(66,849)	(53,051)	(175,236)	(150,120)	(25,116)	16.7%
		<u>(162,062)</u>	<u>(165,066)</u>	<u>(119,644)</u>	<u>(446,772)</u>	<u>(300,693)</u>	<u>(146,079)</u>	
Operating Surplus		<u>(40,337)</u>	<u>140,752</u>	<u>66,435</u>	<u>166,850</u>	<u>134,904</u>	<u>31,946</u>	
Depreciation	17	(12,384)	(12,397)	(21,425)	(46,206)	(37,436)	(8,770)	
Net Operating Surplus FY2023 (YTD)		<u>(52,721)</u>	<u>128,355</u>	<u>45,010</u>	<u>120,644</u>	<u>97,468</u>	<u>23,176</u>	
Net operating Income FY2022		32,186	58,833	6,449	97,468			
Future Development Fund Donations FY2023 (YTD)	r	23,552	7,314	2,001	32,867			

General comments on presentation:

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 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, 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 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 TWG, 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 (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 continued to enjoy excellent patronage after the excitement of the centenary functions leading up till Christmas. Both revenue & catering continued to exceed Board approved FY2023 budgets. It should be remembered that prior year results were impacted by Covid. Members subscriptions continue to support the beverage and catering functions of the Club.
- 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 slipped slightly in the quarter to 31 March 2023 as the frenetic activity of the centenary events subsided. Prior period comparatives were 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 9 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.

No further costs were incurred in the March 2023 quarter.

- 8 Reduction in income reflects some moorings remaining vacant (covid impacted)
- 9 Boat R&M costs consistent with prior years.
- 10 YTD FY2023 sundry income largely comprised of Staff wage recovery costs from Members functions (\$39,585) and Bridge income (\$16,304). 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.
- 12 Sundry income largely includes merchandise (clothing sales) merchant fees recovered and misc income. Prior year YTD income included Govt (\$16,000) and sailing (\$1,000) subsidies. None received this year.
- 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' shedule for detailed explanations.
- 15 YTD FY2023 costs reflect net costs of the 3 Members centenary functions (4 Agust 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 FY2024 due to wharf capital costs. Also minor repairs have been completed by the Operations Manager rather than using external contractors.
- 17 Depreciation on the capital works associated with the wharf commenced from 1 January 2023

Other Expenses		Qtr	Qtr	Qtr	Total	Total	Variance FY2023 to FY2022	
		3 mths Sept 2022	3 mths Dec 2022	3 mths Mar 2023	9 Mths Mar 2023	9 Mths Mar 2022		
		\$	\$	\$	\$	\$	\$	
5-6000	Club clothing & Sundry expenses	(1,550)	(7,792)	(1,240)	(10,582)	(2,225)	(8,357)	Additional merchandise acquired in Centenary year - FY2023
6-1000	Accounting costs & temporary administration staff	(4,283)	(7,667)	(5,359)	(17,309)	(16,050)	(1,259)	
6-1005	Auditors remuneration	(2,875)	(3,525)	(2,875)	(9,275)	(8,113)	(1,162)	
6-1200	Bank charges	(223)	(67)	(155)	(445)	(328)	(117)	
6-1202	Merchant fees	(1,238)	(650)	(118)	(2,006)	(1,657)	(349)	
6-1300	Cleaning services & supplies	(11,324)	(11,103)	(11,817)	(34,244)	(22,466)	(11,778)	No clubhouse cleaning costs during Club shutdown up to 15 October 2021 (prior year - FY2022)
6-1309	Computer expenses	(3,450)	(2,894)	(780)	(7,124)	(4,026)	(3,098)	YTD FY2023 includes website redesign and computer repairs
6-1311	Consulting Fees	0	0	(300)	(300)	0	(300)	
6-1600	Filing fees	(21)	(87)	(249)	(357)	(198)	(159)	
6-1605	Garbage	(1,906)	(1,938)	(2,002)	(5,846)	(4,176)	(1,670)	Prior year - (FY2022) - less garbage accumulated during covid Club closure
6-1630	General expenses	(556)	(704)	(994)	(2,254)	(2,074)	(180)	
6-1700	Insurance	(14,198)	(13,908)	(13,746)	(41,852)	(37,379)	(4,473)	YTD FY2023 - Increased policy costs due to ISR policy increases (general floods & fires)
6-1800	Interest expense	0	0	0	0	0	0	
6-2000	Legal fees	0	(3,092)	0	(3,092)	(3,730)	638	
6-2100	Licensing Fees	(372)	(77)	0	(449)	(74)	(375)	
6-2110	Utilities - Power, water & gas	(1,897)	(5,285)	(3,945)	(11,127)	(9,010)	(2,117)	Prior year (FY2022) included approx \$3,700 credit on account relating to prior period.
6-2300	Printing, postage & stationary (including development update circulars to members)	(409)	(557)	(1,112)	(2,078)	(3,321)	1,243	Savings as moving to online communications
6-2360	Rates & taxes	(7,758)	(7,754)	(7,754)	(23,266)	(22,809)	(457)	
6-2450	Security & Fire protection	(5,166)	(1,851)	(2,681)	(9,698)	(16,349)	6,651	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	0	(1,132)	(891)	(241)	
6-2470	Telephone, internet & Foxtel (including additional Foxtel charges)	(2,978)	(3,898)	(3,924)	(10,800)	(7,211)	(3,589)	Foxtel charges suspended during Club R&R closure
6-2475	Training	0	0	0	0	0	0	
6-2480	Travel					(33)	0	
	Allocation to to bar/catering (Utilities, telephones etc)	6,000	6,000	6,000	18,000	12,000	6,000	Reduced allocation of costs as Beverage / Food streams not operating during R&R Project closure
		<u>(55,336)</u>	<u>(66,849)</u>	<u>(53,051)</u>	<u>(175,236)</u>	<u>(150,120)</u>	<u>(25,149)</u>	