

ROYAL PRINCE EDWARD YACHT CLUB

UNAUDITED BALANCE SHEET

AS AT 31 DECEMBER 2023

AND

INCOME & EXPENSE STATEMENT

FOR THE 6 MONTHS ENDING 31 DECEMBER 2023

ROYAL PRINCE EDWARD YACHT CLUB
Unaudited Income & Expense account for the 6 months to 31 December 2023

	3 mths Sept 2023 \$	3 mths Dec 2023 \$	Total 6 Mths Dec 2023 \$	Total 6 Mths Dec 2022 \$	Variance \$
Net Operating Surplus / Deficit	(3,687)	210,591	206,904	75,634	131,270

General Commentary

The Club has achieved a substantial surplus in the quarter ended 31 December 2023, as the Club returns to normal trading after the Centenary year. Efficiencies in the TWG operations together with increased Member usage have also contributed to the satisfying result.

In the prior corresponding December quarter the surplus was largely due to the costs of the ongoing centenary functions & regatta.

Beverage and food operations returned a surplus in the December quarter, whereas the prior corresponding quarter was impacted by Centenary functions.

Expenditures this quarter are above those of the prior corresponding quarter largely due to current inflationary cost pressures.

The result for the quarter is better than the Board approved budget for the same period.

ROYAL PRINCE EDWARD YACHT CLUB

Unaudited Balance sheet as at 31 December 2023

	Notes	Dec 2023 \$	Sept 2023 \$	Sept to Dec mvt \$	Dec 2022 \$
ASSETS					
Cash (incl cheque account)		554,050	699,426	(145,376)	380,497
Term Deposits	1	0	0	0	0
Trade Debtors	2	75,757	124,248	(48,491)	1,163
Stock on Hand	3	48,737	42,819	5,918	68,162
Other (incl. prepayments)		50,946	96,545	(45,599)	97,835
<i>Total Current Assets</i>		<u>729,490</u>	<u>963,038</u>	<u>(233,548)</u>	<u>547,657</u>
Land & Buildings - at Directors valuation	4	29,400,000	29,400,000	0	29,400,000
Building Additions (net of depreciation)	4	0	0	0	0
		<u>29,400,000</u>	<u>29,400,000</u>	<u>0</u>	<u>29,400,000</u>
Furniture & Fittings (net of depreciation)	4	297,146	295,874	1,272	226,357
Plant & Equipment (net of depreciation)	4	827,645	838,822	(11,177)	731,304
		<u>1,124,791</u>	<u>1,134,696</u>	<u>(9,905)</u>	<u>957,661</u>
<i>Total Fixed Assets</i>		<u>30,524,791</u>	<u>30,534,696</u>	<u>(9,905)</u>	<u>30,357,661</u>
<i>Total Assets</i>		<u>31,254,281</u>	<u>31,497,734</u>	<u>(243,453)</u>	<u>30,905,318</u>
LIABILITIES					
Trade Creditors & Accruals		73,129	278,041	(204,912)	192,550
Members Subscriptions not taken to income	5	293,662	451,784	(158,122)	277,842
Development Fund not taken to income	6	0	143,250	(143,250)	0
Employee Entitlements		33,459	29,856	3,603	34,898
<i>Total Current Liabilities</i>		<u>400,250</u>	<u>902,931</u>	<u>(502,681)</u>	<u>505,290</u>
Total Net Assets		<u>30,854,031</u>	<u>30,594,803</u>	<u>259,228</u>	<u>30,400,028</u>
EQUITY					
Retained Earnings		3,192,733	3,192,733	0	2,871,320
Current Year Earnings	7	206,904	(3,687)	210,591	75,634
Future Development Fund Donations & interest	8	241,472	192,835	48,637	69,167
Asset Revaluation Reserve		27,212,922	27,212,922	0	27,212,922
Development Fund	9	0	0	0	170,985
Total Equity		<u>30,854,031</u>	<u>30,594,803</u>	<u>259,228</u>	<u>30,400,028</u>

Notes

For members information the balance sheet as at December 2022 has been inserted, this 'like for like' comparison removes the 'seasonality' of numbers.

Comments on December 2023 balances

- 1 Monies placed on deposit from receipts of annual Members subscriptions & Members donations to the Future Development Fund.
- 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 stocktakes conducted at 31 December 2023.
- 4 Balances include depreciation for the December quarter 2023 (calc on a monthly basis). No revaluation of property was undertaken at 30 June 2022. Additions include grease trap, replacement Rib, kitchen renovations & appliances.
- 5 Balance reflects Members annual subscriptions that have not been taken to income at 31/12/2023. 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 30 September 2023. Levies were transferred to income in November 2023.
- 7 December 2023 balance equates to the year to date income & expense account.
- 8 Represents Future Development Fund donations received from Members.
- 9 Represents Development levy received from members (shown separately from Retained Earnings). All monies received to 30 June 2023 have been allocated to projects.

ROYAL PRINCE EDWARD YACHT CLUB
Unaudited Income & Expense account for the 6 months to 31 December 2023

	Comment Note	3 mths Sept 2023 \$	3 mths Dec 2023 \$	Total 6 Mths Dec 2023 \$	Total 6 Mths Dec 2022 \$	Variance \$	
Bar Trading							
Bar sales	1	120,684	206,675	327,359	312,144	15,215	
Net bar purchases (after allowing for stock mvts)	2	(56,767)	(79,717)	(136,484)	(135,890)	(594)	
Gross Profit		63,917	126,958	190,875	176,254	14,621	
<i>Gross margin</i>	e	53%	61%	58%	56%		
Employee costs	f	(13,286)	(12,678)	(25,964)	(22,908)	(3,056)	
Other bar associated costs	g	(6,738)	(8,815)	(15,553)	(16,835)	1,282	
		43,893	105,465	149,358	136,511	12,847	
Food & Catering							
Income from Food & Catering	i, 1	118,709	207,315	326,024	283,411	42,613	
Function wage costs recovered	s		25,042	25,042	0	25,042	
Food & Catering costs incl. staff costs)	j, 2	(173,757)	(266,755)	(440,512)	(461,557)	21,045	
		(55,048)	(34,398)	(89,446)	(178,146)	88,700	
Total Bar & Catering Surplus / (Loss)	3,4	(11,155)	71,067	59,912	(41,635)	101,547	
Subscriptions							
Annual subscriptions - Membership	a	151,707	151,707	303,414	278,352	25,062	9.0%
Annual subscriptions - Sailing Australia affiliation fees	b	0	0	0	0	0	
Entrance fees	c,5	14,598	8,739	23,337	20,370	2,967	
Annual Development Fund Levy	d	0	142,000	142,000	141,275	725	
		166,305	302,446	468,751	439,997	28,754	
Boat Racing							
Income	6	7,700	13,372	21,072	20,134	938	
Centenary regatta sponsorship	7	0	0	0	52,844	(52,844)	
Centenary regatta expenses	7	0	0	0	(74,687)	74,687	
Expenses	6	(4,210)	(9,824)	(14,034)	(9,560)	(4,474)	
		3,490	3,548	7,038	(11,269)	18,307	
Boat Maintenance, Boatshed, Moorings & Jetty							
Income	8	11,887	12,227	24,114	23,680	434	
Maritime jetty rent		(1,139)	(1,139)	(2,278)	(2,123)	(155)	
Club moorings, boatshed & boats - R&M	h,9	(22,380)	(5,408)	(27,788)	(27,699)	(89)	
		(11,632)	5,680	(5,952)	(6,142)	190	
Sundry Income							
Club Functions	k, 10	16,695	14,648	31,343	40,146	(8,803)	
Interest	l, 11	0	0	0	12	(12)	
Other	m, 12	9,489	4,080	13,569	11,848	1,721	
		26,184	18,728	44,912	52,006	(7,094)	
Expenses							
Club functions & Committee costs	n, 10	(18,701)	(26,675)	(45,376)	(20,559)	(24,817)	
Centenary Functions - net expenses		0	0	0	(81,768)	81,768	
Other repairs & maintenance	14	(28,541)	(10,276)	(38,817)	(8,123)	(30,694)	
Employee costs	o,13	(38,016)	(54,246)	(92,262)	(85,786)	(6,476)	
Sailing Australia affiliation fee	p	(4,571)	(4,572)	(9,143)	(8,707)	(436)	
Other (refer additional schedule)	q, 15	(65,929)	(69,786)	(135,715)	(122,185)	(13,530)	
		(155,758)	(165,555)	(321,313)	(327,128)	5,815	
Operating Surplus		17,434	235,914	253,348	105,829	147,519	
Depreciation	16	(21,121)	(25,323)	(46,444)	(24,781)	(21,663)	
Net operating Income FY2023 (YTD)		(3,687)	210,591	206,904	81,048	125,856	
Net Operating Surplus FY 2022		(52,721)	195,199	75,634	75,634		
Future Development Fund Donations FY2023 (YTD) (not included in above figures)	r	184,602	48,637	233,239	30,866		

General comments on income and expense account :

Explanations

- a FY2024 Subscriptions are taken to income on an equal monthly basis, currently approx. \$48,197 pm. FY2024 income forecast to be approx. \$600k, being an increase of approx 7.2%.
- 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, FY2024 monies of \$142K were allocated to income in November 2023.
- e Targeted gross profit margin on bar sales targeted at greater than 56% for FY2024, 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 food, catering and function services, provided by Trippas White, for Members and their invited guests.
- k Income received from Members and their invited guests attending special Club functions, not included in the food & 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.
- n Costs of running club functions (incl Sunday series costs) and other Club Committee costs, not included in the food & catering function.
- o Represents Club administrative staff costs after the allocation to bar trading (includes Club Secretary and Operations Manager).
- p 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.
- s Represents additional costs of staff, charged to Members, to provide service for Members' private functions. Included in sundry income in prior years.

Comments

- 1 Normal operations continued during the December quarter, free of Covid shutdowns. Both beverage and catering revenue streams are greater than prior year due largely to additional member usage, with costs being restrained. Both streams are well above the FY2024 budget for this period.
- 2 TWG experienced efficiencies in their operations (rebates from certain providers) which were passed on to the Club.
- 3 The Beverage and catering functions should be viewed as the one income stream as both functions compliment each other.
- 4 The trading surplus reflects a normalised 6 months trading, whereas the prior 6 months corresponding period reflected the impact of 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 Income includes race entry fees (largely for Wednesday racing) & expenses reflect the costs of running / hosting the races and prizes costs.
- 7 The prior year income represents pro rata sponsorship from the Renault Group, who generously donated \$45,000 to the running of the Centenary regatta. The prior year expenses relate to the costs incurred in running the regatta.
- 8 Income represents monies received from mooring rentals (12), rear boatshed storage fees, internal personal lockers & external sail lockers
- 9 Includes costs of maintaining the 3 small club tenders (Wawn, Rib & Duffy) due to their age and Club members' misuse. The Rib and its motor were replaced in July 2023 (unbudgetd), thus savings in R&M should appear in the second half of FY2024.
- 10 Prior year income included Function wage costs recovered from Members functions (\$24,425), this income is now shown separately in Food & catering income.
- 11 Currently no funds on deposit, as cash held for operating activities and major capital works (kitchen renovations & external kitchen vent works).
- 12 Sundry income largely includes merchandise (clothing sales) merchant fees recovered and misc income. The September quarter income included profit on sale of the Rib outboard motor (\$6,704).
- 13 Employee costs include salary cost of Operations Manager (who commenced in November 2021) and the Club Secretary..
- 14 Additional costs in FY2024 include kitchen repairs of \$15,617, as part of the kitchen refurbishment.
- 15 Increased costs in FY2024 compared to FY2023 due to substantial increases in insurance, electricity & council rates.. Refer to separate 'Other Expenses' shedule for detailed explanations.
- 16 Additional depreciation incurred in FY2024 due to the kitchen refurbishment and acquisition of the new Rib and motor.

Other Expenses

	Qtr 3 mths Sept 2023 \$	Qtr 3 mths Dec 2023 \$	Total 6 Mths Dec 2023 \$	Total 6 Mths Dec 2022 \$	Variance \$	
5-6000 Club clothing & Sundry expenses	(840)	(1,900)	(2,740)	(9,342)	6,602	Additional merchandise sold in prior year due to centenary.
6-1000 Accounting costs & temporary administration staff	(4,295)	(9,075)	(13,370)	(11,950)	(1,420)	
6-1005 Auditors remuneration	(3,000)	(3,500)	(6,500)	(6,400)	(100)	
6-1200 Bank charges	(145)	(63)	(208)	(290)	82	
6-1202 Merchant fees	(1,425)	(376)	(1,801)	(1,888)	87	
6-1300 Cleaning services & supplies	(10,440)	(11,546)	(21,986)	(22,427)	441	
6-1309 Computer expenses	(8,591)	(2,770)	(11,361)	(6,344)	(5,017)	YTD FY2024 includes upgrade of computer security.
6-1311 Consulting Fees	0	(800)	(800)	0	(800)	
6-1600 Filing fees	(334)	0	(334)	(108)	(226)	
6-1605 Garbage	(1,114)	(2,134)	(3,248)	(3,844)	596	
6-1630 General expenses	(418)	262	(156)	(1,260)	1,104	Prior year included misc centenary expenses.
6-1700 Insurance	(16,480)	(16,716)	(33,196)	(28,106)	(5,090)	Increases due to claims and ISR increased property values declared.
6-1800 Interest expense	0	0	0	0	0	
6-2000 Legal fees	0	0	0	(3,092)	3,092	Prior year included review costs of new Operations Manager employment agreement.
6-2100 Licensing Fees	(385)	0	(385)	(449)	64	
6-2110 Utilities - Power, water & gas	(1,759)	(8,887)	(10,646)	(7,182)	(3,464)	Increased (well above inflation) rates by energy supply companies (AGL).
6-2300 Printing, postage & stationary (including circulars to members)	(763)	(294)	(1,057)	(966)	(91)	
6-2360 Rates & taxes	(11,035)	(11,031)	(22,066)	(15,512)	(6,554)	44% increase in commercial rates by Woollahra Municipal Council
6-2450 Security & Fire protection	(2,985)	(2,845)	(5,830)	(7,017)	1,187	Prior year security included premises protection (from beach goers).
6-2468 Subscriptions	(1,399)	0	(1,399)	(1,132)	(267)	
6-2470 Telephone, internet & Foxtel	(3,681)	(4,066)	(7,747)	(6,876)	(871)	YTD FY2024 includes rental of new telephone system.
6-2475 Training	(2,840)	0	(2,840)	0	(2,840)	YTD FY2024 includes Directors attending compliance training.
6-2480 Travel	0	(45)	(45)	0	(45)	
Allocation to bar/catering (Utilities, telephones etc)	6,000	6,000	12,000	12,000	0	
	<u>(65,929)</u>	<u>(69,786)</u>	<u>(135,715)</u>	<u>(122,185)</u>	<u>(13,530)</u>	