

Claremont Yacht Club (Inc.)

Annual General Meeting 19 September 2019

Treasurer's Report

Members, on behalf of the General Committee, I present the Treasurer's report for the financial year ended 30 June 2019.

Trading performance

Our Club achieved a total surplus for the year ended 30 June 2019 of \$246,232 (2018: \$325,902) after allowing for non-cash depreciation of \$261,658 (2018: \$286,864).

Pens & Mooring Income, our main source of income to the Club, was \$919,842 for the year ended 30 June 2019 which is down \$95,803 on the prior year (2018: \$1,015,645). This year the receipt of pen allocation fees are down 37.3% to \$109,110 (2018: \$174,011) which is primarily due to two factors. Firstly, sold boats are leaving our marina system rather than re-accommodating under new ownership, and prospective senior members are difficult to secure due to competitive rates being offered by other Clubs. Pleasingly, there has been increased enquiries recently for pens up to 45 feet and the General Committee continues to look at ways to attract boats into the H-South pens.

Maintenance expenditures of \$168,235 (2018: \$167,383) were incurred in keeping the marina in good order through piling repairs, new non-slip surfacing, routine anode replacements and general upkeep work. A-Jetty enhancements were also undertaken, with these costs being capitalised.

Over the course of FY20, we see competition remaining strong from rival Swan River Clubs in attracting boats into marinas. This has been reflected in the FY20 budget with Pens & Mooring income budgeted to be similar, albeit slightly behind, that achieved during 2019.

Bar, Restaurant and Functions income was \$764,499 which is comparable to the previous year (2018: \$761,130). Members will recall at the time of the half-yearly General Meeting that General Committee agreed to absorb beverage price increases this financial year which was maintained.

Net surplus achieved in F&B operations for the year was \$1,754 (2018: \$25,232) which follows the General Committee's resolve to trade the House at a break-even performance. Next year, the budget assumes a similar net surplus for F&B, albeit on slightly higher sales figures as our wonderful Club location is realised as a preferred destination for member and guest events.

Membership Subscriptions and Nominations totalled \$337,955 (2018: \$352,574) for the period. Senior membership numbers have reduced commensurate with the reduced number of boats housed in our marina, with several boat-share arrangements dissolving during the year reducing our senior member numbers. Membership numbers are expected to grow over the course of FY20 as enhancements to Club facilities increases our attractiveness in the marketplace and marina pen enquiries materialise into new memberships.

Fuel trading surplus for the year was \$25,491 (2018: \$23,092) and **Regalia** sales delivered a surplus of \$2,484 (2018: \$1,635). Total **Admin Expenditure** totalled \$530,607 (2018: \$594,221) which is down 10.7% on diligent cost control and successful repricing of a number of supplier contracts. Following this significant effort from our General Manager in renegotiating key contracts, it is forecast next year the Club will be subject only to admin cost escalations commensurate with CPI.

Balance Sheet as at 30 June 2019

Total member's funds and reserves at 30 June 2019 are \$17,274,307, including cash at bank of \$167,079 and current member debtors of \$693,481. The majority of this member debtor balance has subsequently been collected. Thank you to all our members paying dues timely as this greatly assists the cash flow of the Club.

During the year, non-current assets of \$113,955 were added to our balance sheet, offset by \$261,658 of depreciation. The majority of asset additions this year relate to the A-Jetty enhancements, which included resizing certain pens and adding much-needed catwalk access ways. This project completed in July at a capital cost of \$185,767, which despite exceeding its initial budget, represents a sound investment into our jetty system for the long-term.

The mortgage loan account continues to reduce and following loan repayments of \$304,000 during the year the outstanding balance sits at \$1,000,000. This loan attracts a low variable interest rate and interest offset is applied from our transactional bank account to reduce interest costs. Interest incurred of \$42,025 during 2019 will reduce further next year as loan repayments are made.

Cash flows

Cash flow generated from operating activities totalled \$484,719. This equates to \$526,744 before interest payments, which is similar to the pre-interest cash flows last year (2018: \$522,206). Cash flows from operations are funds generated to be used to repay debt and invest in capital projects.

Looking ahead, the FY20 budget assumes a similar level of cash (circa \$500,000) will be generated and available for these sorts of activities.

The General Committee has earmarked \$150,000 as house renovation funds, to be utilised across a number of facility improvement projects throughout FY20. Initially, the General Committee is seeking endorsement at this year's AGM to renovate the downstairs bathrooms at an expected cost of \$85,000 and there are several other capital works projects under consideration following the feedback received from the recent member survey.

Debt repayments are also budgeted for during FY20, with \$250,000 expected. This amount may be increased if marina allocation fees and pen rental income exceed budgeted levels later in the year.

Summary

The Club has delivered a sound result in light of the competitive environment we have experienced.

The General Committee has remained focussed on prudent cost management and prioritising critical maintenance and much needed jetty improvements this year, while continuing to reduce the balance of our loan account. F&B operations are delivering consistency of service and my complements to the Chef for his tireless efforts in this area.

The budget for FY20 has been prepared in light of the fact that competition from River Clubs to attract new members by 'doing deals' remains strong. That said, recent pen enquiries have been encouraging and I hope this budget is proven to have been overly pessimistic when I report our Club's 2020 financial results this time next year.

Dave Andrews
Honorary Treasurer

Claremont Yacht Club Inc**Income & Expenditure Statement
for the year ended**

	30-Jun-19	30-Jun-18	Change	Change
	\$	\$	\$	%
Trading Income				
Bar, Restaurant & Functions				
Sales	764,499	761,130	3,369	0.4%
Cost of sales	-300,160	-299,889	-271	0.1%
Gross profit	464,339	461,241	3,098	0.7%
Direct labour costs and overheads	-462,585	-436,009	-26,576	6.1%
Surplus/(deficit)	1,754	25,232	-23,478	-93.0%
Regalia				
Sales	9,321	10,871	-1,550	-14.3%
cost of sales	-6,837	-9,236	2,399	-26.0%
Surplus/(deficit)	2,484	1,635	849	51.9%
Fuel				
Sales	317,093	304,799	12,294	4.0%
cost of sales	-291,602	-281,707	-9,895	3.5%
Surplus/(deficit)	25,491	23,092	2,399	10.4%
Total Trading Surplus	29,729	49,959	-20,230	-40.5%
Other Income				
Membership and nominations	337,955	352,574	-14,619	-4.1%
Pens & moorings income	919,842	1,015,645	-95,803	-9.4%
Other income	11,482	65,046	-53,564	-82.3%
Total other income	1,269,279	1,433,265	-163,986	-11.4%
Expenditure				
Admin expenses	530,607	594,221	-63,614	-10.7%
Jetty expenses	168,235	167,383	852	0.5%
Committee expenses	50,251	40,044	10,207	25.5%
Total expenditure	749,093	801,648	-52,555	-6.6%
EBITDA	549,915	681,576	-131,661	-19.3%
Interest	42,025	68,811	-26,786	-38.9%
Depreciation	261,658	286,863	-25,205	-8.8%
Net surplus for the year	246,232	325,902	-79,670	-24.4%

Claremont Yacht Club Inc				
Balance Sheet	30-Jun-19	30-Jun-18	Change	Change
as at	\$	\$	\$	%
Current Assets				
Cash at bank and on hand	167,079	99,700	67,379	67.6%
Trade debtors	693,481	756,065	-62,584	-8.3%
Inventory	64,258	56,146	8,112	14.4%
Sundry debtors & prepayments	11,396	5,627	5,769	102.5%
Total current assets	936,214	917,538	18,676	2.0%
Non-current Assets				
Fixed Assets - at cost	7,989,275	7,875,320	113,955	1.4%
Accumulated depreciation	-2,266,437	-2,004,779	-261,658	13.1%
Revaluation	12,452,608	12,452,608	0	0.0%
Total non-current assets	18,175,446	18,323,149	-147,703	-0.8%
Total Assets	19,111,660	19,240,687	-129,027	-0.7%
Current Liabilities				
Trade creditors & accruals	135,422	178,934	-43,512	-24.3%
Provision for employee benefits	39,093	31,301	7,792	24.9%
Receipts in advance	555,473	589,954	-34,481	-5.8%
Unredeemed vouchers	88,953	91,833	-2,880	-3.1%
Total Current Liabilities	818,941	892,022	-73,081	-8.2%
Non-current Liabilities				
Mortgage loan	1,000,000	1,304,000	-304,000	-23.3%
Donations and trophy funds	18,412	16,589	1,823	11.0%
Total Non-current Liabilities	1,018,412	1,320,589	-302,177	-22.9%
Total Liabilities	1,837,353	2,212,611	-375,258	-17.0%
Net Assets	17,274,307	17,028,076	246,231	1.4%
Members funds	4,821,699	4,575,468	246,231	5.4%
Asset revaluation reserve	12,452,608	12,452,608	0	0.0%
Total Member Funds and Reserves	17,274,307	17,028,076	246,231	1.4%

Claremont Yacht Club Inc				
Budget	Actual	Budget	Change	Change
2019/2020	FY19	FY20	\$	%
Food & Beverage				
Sales	764,499	780,000	15,501	2.0%
COS	(300,160)	(312,000)	(11,840)	3.9%
Direct labour	(347,158)	(349,250)	(2,092)	0.6%
F&B overheads	(115,427)	(117,500)	(2,073)	1.8%
Surplus/(deficit)	1,754	1,250	(504)	-28.7%
Fuel				
Sales	317,093	317,500	407	0.1%
COS	(291,602)	(292,100)	(498)	0.2%
Surplus/(deficit)	25,491	25,400	(91)	-0.4%
Membership income	337,955	340,750	2,795	0.8%
Marina				
<i>Income Rentals</i>	810,732	792,000	(18,732)	-2.3%
<i>Allocation fees</i>	109,110	108,000	(1,110)	-1.0%
Marina Income	919,842	900,000	(19,842)	-2.2%
Expenditure	(168,235)	(165,000)	3,235	-1.9%
Surplus/(deficit)	751,607	735,000	(16,607)	-2.2%
Other income				
Regalia income	9,321	7,500	(1,821)	-19.5%
Regalia costs	(6,837)	(6,000)	837	-12.2%
Other income	11,482	12,500	1,018	8.9%
Other income	13,966	14,000	34	0.2%
Committee expenses	(50,251)	(50,000)	251	-0.5%
Administration expenses	(530,607)	(540,000)	(9,393)	1.8%
Operating expenses	(580,858)	(590,000)	(9,142)	1.6%
EBITDA	549,915	526,400	(23,515)	-4.3%
Loan interest costs	(42,025)	(30,000)	12,025	-28.6%
Depreciation	(261,658)	(255,000)	6,658	-2.5%
Total Surplus for the Year	246,232	241,400	(4,832)	-2.0%