



FINANCE REPORT 2022/23

Honorary Treasurer
Brad Wearn



FINANCIAL HIGHLIGHTS

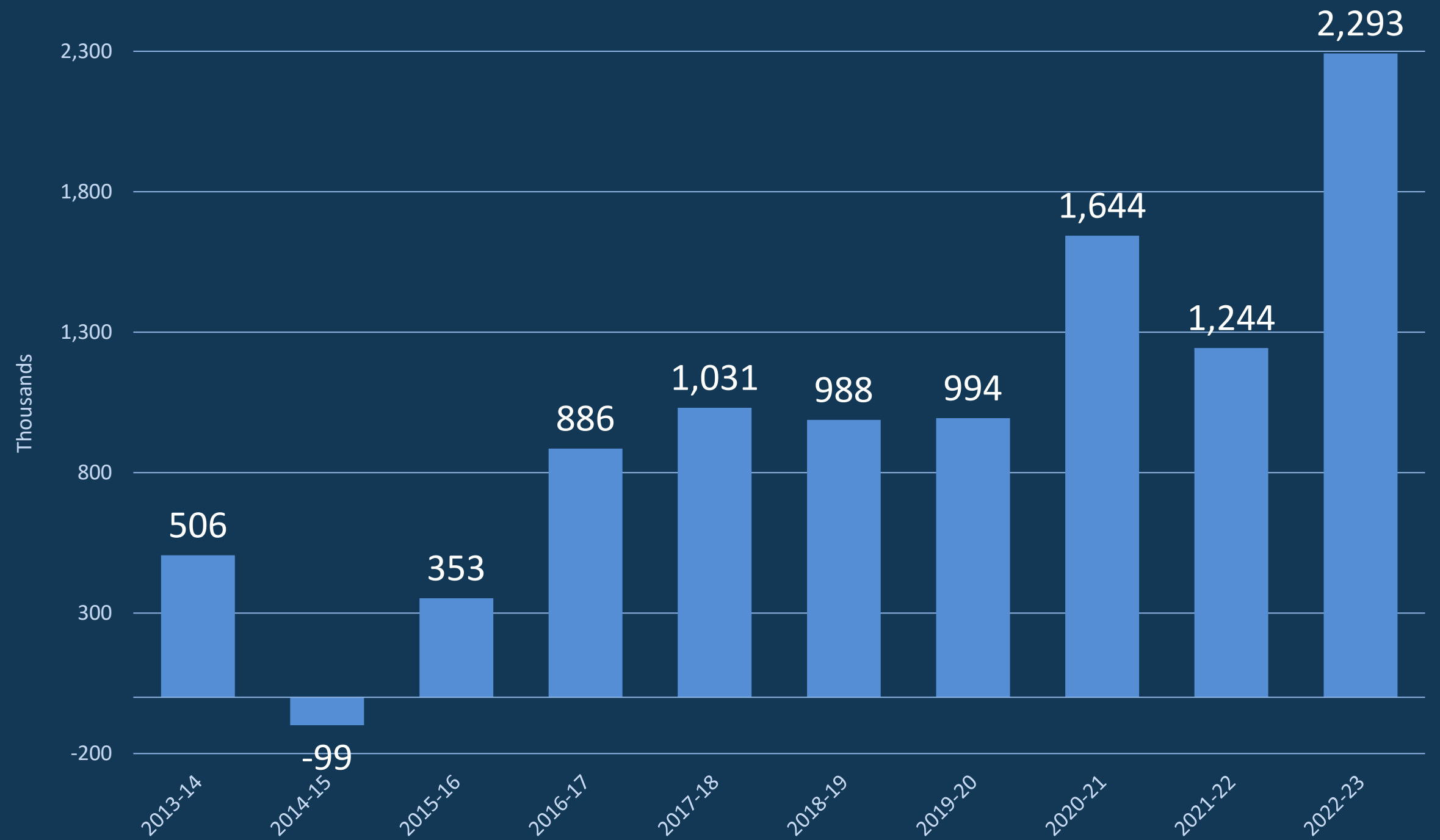
- Loss for year (\$158,318), significant improvement (FY22: (\$760,831))
- Net debt ¹ was reduced by \$1,255,171
- Operating Cash Flow \$2,293,492 (FY22: \$1,231,738)
- Hospitality operations profit \$249,886 (FY22: (\$230,170))

¹Net debt comprises interest bearing loans and borrowings less Cash and cash equivalents.





CASH FLOW FROM OPERATIONS



LIQUIDITY / GOING CONCERN

- Pen Occupancy Deposits of \$1.8m classified as Current during FY (requirement of AASB 101) – this is an anomaly of the accounting standards, leading to imperfect reporting of Club's liquidity
- Cash Flow Forecasts show Club is able to pay its debts as and when they fall due
- Financial statements have been prepared on a going concern basis
- Auditors have raised a Material Uncertainty Related to Going Concern Note in their Audit Report



REVENUES

Membership	\$1.48m (FY22 \$1.44m)
Pen & Hardstand	\$3.19m (FY22 \$3.07m)
Hospitality	\$2.39m (FY22 \$1.78m)



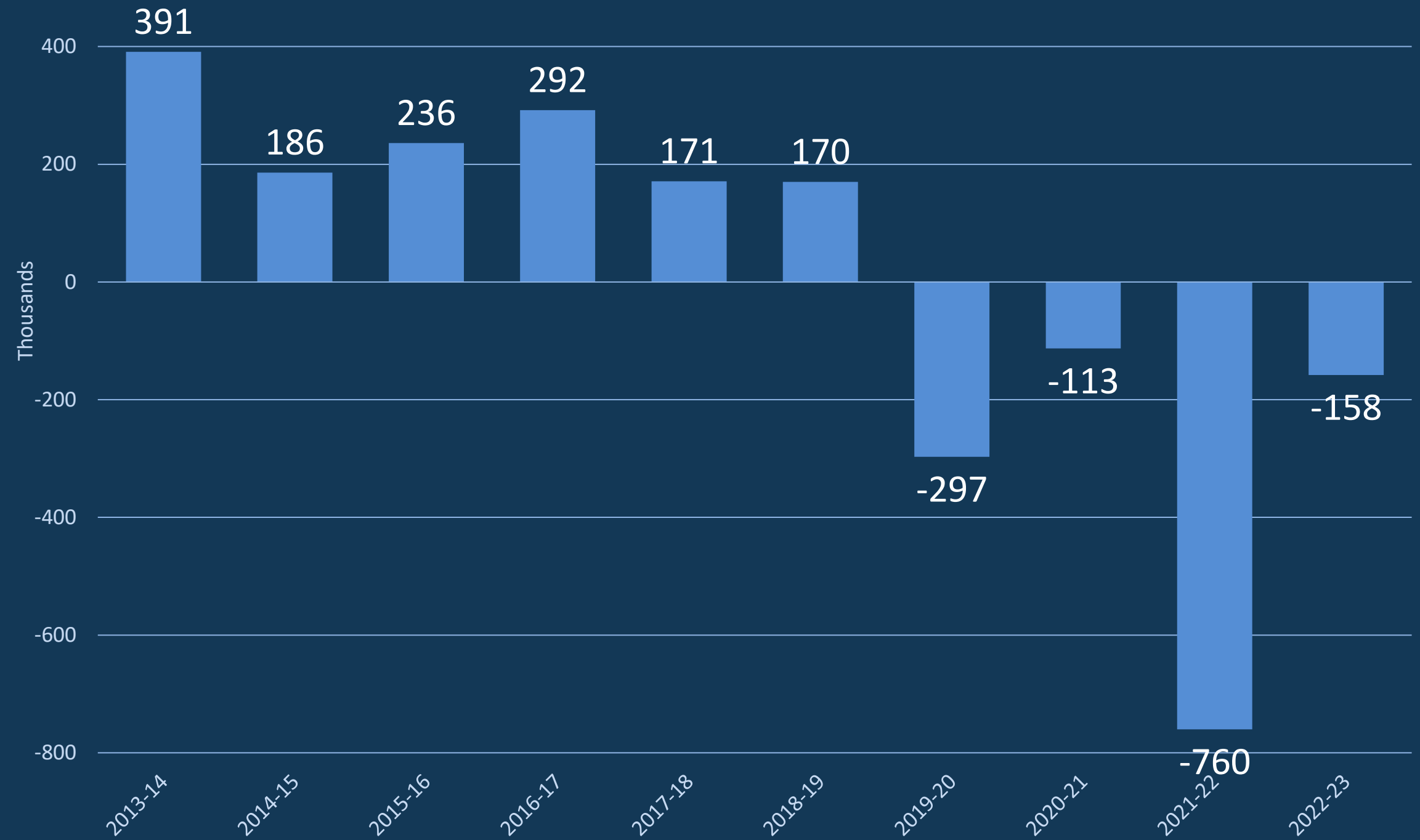
PROFIT FROM OPERATIONS

	2023	2022
	\$	(Restated) \$
Revenue		
Sale of goods	2,566,864	1,899,402
Rendering of services	424,373	385,196
Membership income	1,485,821	1,437,627
Pen and hardstanding Fees	3,195,124	3,066,276
Grant income	-	-
Other income	167,717	158,928
	<u>7,839,899</u>	<u>6,947,429</u>
Cost of sales	636,619	569,652
	<u>7,203,280</u>	<u>6,377,777</u>
Gross profit		
Expenditure		
Administrative expenses	1,111,488	1,155,552
Boat Lifter operations	228,790	206,140
Boating operations	895,087	912,374
Finance costs	538,480	418,300
Hospitality expenses	1,671,666	1,550,194
Marketing expenses	205,855	200,177
Occupancy expenses	1,083,911	1,172,922
Information technology	50,634	69,734
Depreciation	1,575,687	1,453,215
	<u>7,361,598</u>	<u>7,138,608</u>
Total comprehensive income/(loss) for the year	<u>(158,318)</u>	<u>(760,831)</u>





PROFIT FROM OPERATIONS



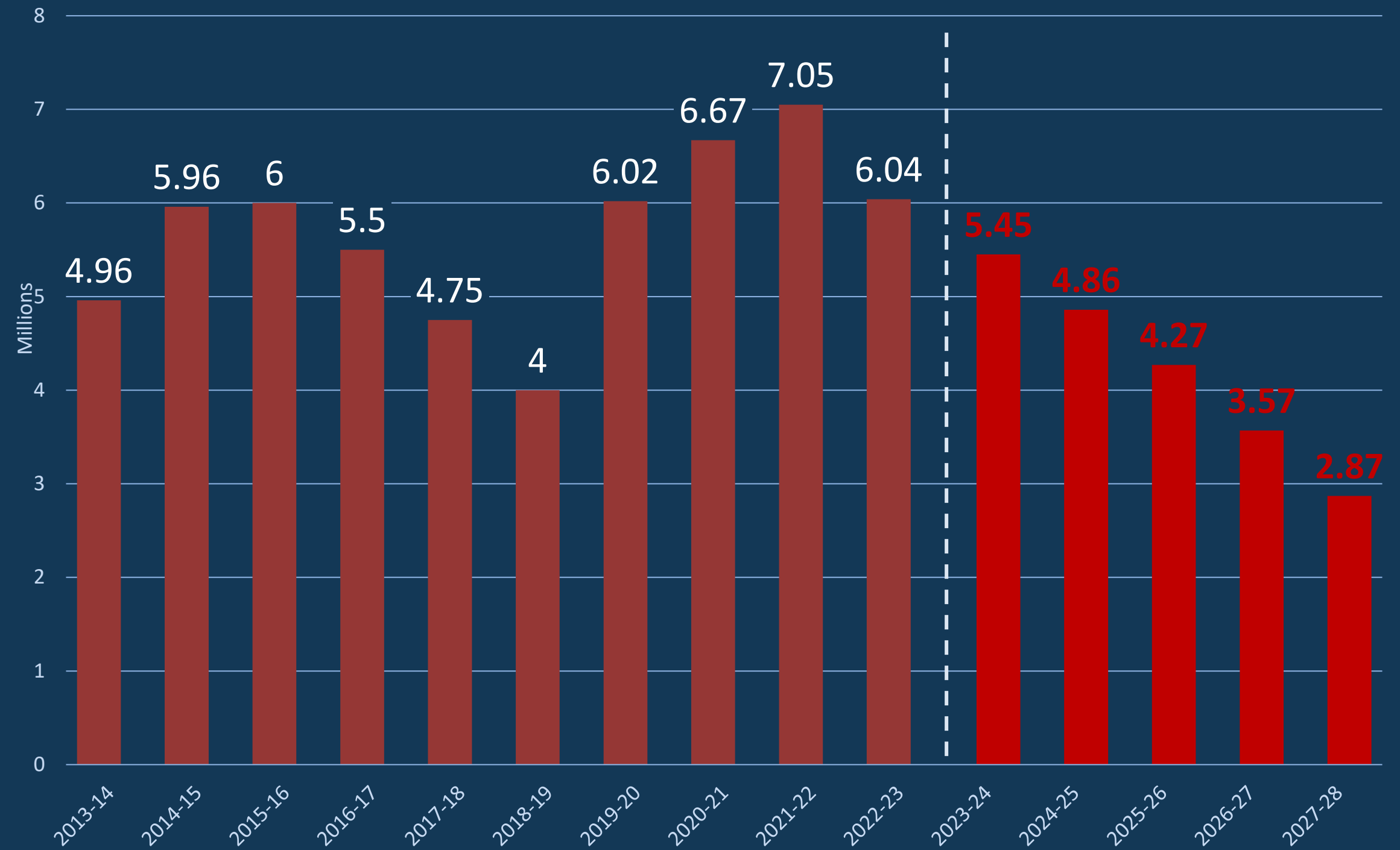
FINANCIAL FOCUS

- Developing balanced pricing policies
- Maintaining strong cost controls
- Suspending capital redevelopment
- Negotiating a favourable loan repayment schedule
- Preparing comprehensive budgets / cash flows
- Strategic planning to identify short and medium term actions, priorities and goals





DEBT POSITION





CAPITAL EXPENDITURE



	2023/24	2024/25	2025/26
Major Capital Expenditure - Crawley			
Resurfacing Crawley car park	(100,000)	-	-
Carpet & Refurb WR, Staircase , entrance	(70,000)	-	-
Forklift	(50,000)	-	-
Crawley Jetty Refurbishments	(25,000)	-	-
Capital Expenditure future years	-	(85,000)	(70,000)
	<u>(245,000)</u>	<u>(85,000)</u>	<u>(70,000)</u>
Major Capital Expenditure - Fremantle			
Fremantle Jetty Refurbishments	(25,000)	-	-
Fremantle Jetty Cathodic Protection	(60,000)	-	-
Capital Expenditure future years	-	(35,000)	-
	<u>(85,000)</u>	<u>(35,000)</u>	<u>-</u>
Routine Capital Expenditure			
Crawley Kitchen Equipment	(6,000)	-	-
Crawley Airconditioners	(12,000)	-	-
Information Technology - Accounting System	(30,000)	-	-
Information Technology - Servers	(50,000)	-	-
Capital Expenditure future years	-	(217,000)	(272,000)
	<u>(98,000)</u>	<u>(217,000)</u>	<u>(272,000)</u>
Total	<u>(428,000)</u>	<u>(337,000)</u>	<u>(342,000)</u>

BUDGET

	Actual 2022/23	%	Budget 2023/24	Notes
MEMBERSHIP AND HOSPITALITY				
Membership and Nominations	1,485,821	20%	1,786,221	Fee increase of 10% from 1 September 2023, Maint & Project Fee (\$240pa)
Hospitality Operations	249,886	-95%	13,137	2022/23 benefited from larger, more profitable functions (\$385k - Steadfast, Liatam, CBH)
	<u>1,735,707</u>	4%	<u>1,799,358</u>	
BOATING AND MARINA ACTIVITIES				
Pen and hard standing fees	3,195,124	5%	3,357,147	Fee increase of 6% from 1 June 2023
Boat Lifter operations	103,839	83%	190,263	Boat lifter returned to full operation, increases from pricing review
Sailing Division operations	(609,303)	8%	(656,504)	Increase in diving (Elliott Yachts), administration, mini-series, power and etchells events
Sail Training Division operations	(194,040)	23%	(238,664)	5.75% FWC increase for casuals, appointment of Sports Admin Manager
	<u>2,495,620</u>	6%	<u>2,652,242</u>	
OTHER REVENUE AND EXPENSES				
Merchandise Sales	8,693	31%	11,400	No material change in Merchandise Sales expected
Marketing & Public Relations	(178,173)	-21%	(140,625)	In The Wind 50% online, Marketing Assistant shared with Boating
Crawley Operations	(248,351)	-4%	(238,180)	Landline phone repayment plan completed October 2022, rental increase for chandlery
Challenger Operations	(558,881)	2%	(570,655)	No material change in Challenger Operations expected
Bank Fees and Interest	(433,633)	10%	(476,880)	Interest rate increases (after \$250k loan repayment in May 2023 & \$250k in Nov 2023)
	<u>(1,410,345)</u>	0%	<u>(1,414,940)</u>	
CLUB OPERATIONS EXPENDITURE				
Maintenance and Cleaning	(475,128)	5%	(498,746)	Normal operating cost increases
Administration Expenses	(184,813)	52%	(281,255)	Improved member experience
Administration Salaries	(713,640)	19%	(851,935)	Approved management operating cost increases / return from maternity leave
Finance Expenses	(199,913)	-30%	(139,200)	Reduction in FBT liability and insurance
Information Technology	(50,633)	72%	(87,000)	Operating lease of new accounting system
	<u>(1,624,127)</u>	14%	<u>(1,858,136)</u>	
Profit / (Loss) before Depreciation	<u>1,196,855</u>	-2%	<u>1,178,524</u>	
Depreciation	(1,305,243)	-3%	(1,262,400)	
Budgeted Profit / (Loss)	<u>(108,388)</u>	-23%	<u>(83,876)</u>	
AASB 16 - LEASES ADJUSTMENT				
Depreciation	(270,444)	0%	(270,444)	
Lease - Interest	(104,847)	-8%	(96,180)	
Lease - Amortisation	325,361	3%	335,076	
	<u>(49,930)</u>	-37%	<u>(31,548)</u>	
Budgeted Profit / (Loss) on AASB 16 Adj	<u>(158,318)</u>	-27%	<u>(115,424)</u>	



MEMBER CONTRIBUTIONS

- Capital Improvement Contribution – Full Members \$20 per month from 1 September 2023 to 31 August 2024 (percentage contribution based on membership category)
- Membership Fee increase – Full Members \$1,777 (FY22: \$1,616), (percentage contribution based on membership category)
- Pen Fee increase – 6% from 1 June 2023
- House Support Scheme - \$385pa (\$192.50 each six months) (FY22: \$360pa)





MAINTENANCE & PROJECT FEE

Project	Estimated cost	Timing	Priority
Car Park Resurface and Swail Drainage	\$60K - \$100K	January 2024	High – Safety, Flooding, Presentation, Function Attraction, Sense of arrival.
Upgrade I.T. Systems to Integrated NorthStar Software, App, Website	\$120K - \$180K	May- July 2024	High – 9 Different Software Programs. Four at End of Life.
Clubhouse RoofLeaks	\$30K	September 2023	High- Internal Damage, Member Disruption
Carpets	\$80K	January 2024	Medium – Current Red is worn, unrepairable. Uniform Colour needed
Wardroom Refurbishment	\$80K	TBA	Medium – Display Cabinet, Carpet, Entrance

FINANCIAL OUTLOOK

- Inflationary pressures and higher interest rates are expected to moderate economic growth in Perth/WA in 2023 -24
- Expected to lead to tightening of discretionary spending by households / businesses
- Continued vigilance in managing Club's finances and specifically in monitoring of impact on Hospitality / Function revenues





THANK YOU!

