

ALBERT SAILING CLUB INC

TREASURER'S REPORT

FOR THE YEAR ENDED 31 MARCH 2020

Overview

The overall 2019-2020 Financial Year was impacted by number of factors such as the low water levels in the first half of 2019, which led to the disruption of number of social events, trainings and the cancellation of the Annual Regatta; the change of the invoicing cycle to align all members to a common renewal date, which meant that the membership and racking income was reduced; and towards the very end of the financial year the COVID-19 pandemic and the related restrictions led to the closure of the Club. With these disruptions the total loss for the year was \$26,935, which is only \$3,630 more than the one accounted for in the budget.

Whilst this loss appears high, it included \$21,799 of non-cash depreciation. If this item was excluded from the financial result, the loss would have been \$5,136. The 2019-2020 financial result also included \$5,123 of training costs and \$2,300 of rent which were incurred in the previous 2018-2019 financial year but not paid until the current financial year. If these two amounts were also excluded from the result, an adjusted profit for the 2019-2020 year of just over \$2,200 would have resulted.

The previous 2018-2019 year saw a reported profit of \$22,023. If the two items (training and rent) were included correctly in that earlier year, this profit would have reduced to \$14,600. A grant of \$19,165 was also received in that earlier year and if this was excluded from those 2018-2019 figures, a loss of \$4,565 would have resulted

The committee therefore believes that the result for the current financial year is a solid result given the difficulties that arose due to the non-sailing period and impacts of the CoVID 19 pandemic.

Unfortunately, the difficult year had also a negative impact on the number of members. During this year we lost 50 members and from a total 255 at the end of the last financial year the club now has 205 individual members.

Assets

The total value of the assets at the end of 2019-2020 Financial Year is \$289,990 and has decreased by \$21,241 in comparison the previous financial year.

- Bank Assets are at the total value of \$216,274 and are divided between Current accounts and PayPal account: \$39,242 and Term Deposits: \$177,032.
- Current Assets are valued at \$13,357 and include *Debtors*: APYC owing the 50% of the legal fees for the unification (\$4,125) as well as Parks Vic who would be refunding the rent for the first two quarters of 2020 as a result of Coronavirus situation (\$4,594); *Inventory* of T-shirts and other merchandise as well as the *Property Security Deposit* which was paid to Parks Vic when the new lease agreement was signed at the beginning of 2019.

- Fixed Assets: during the current financial year there was a security system upgrade, done in July 2019, and the investment was at the value of \$4,027. In addition to that one of the rescue RIBs was replaced with a brand new one at the cost of \$5,251 and the other one was equipped with a new motor at the expense of 3,325. The old RIB and motor were sold to APYC for \$1,000.

Revenue

- Revenue from membership fees and racking was lower for two main reasons. Adjusting to common renewal date which resulted in issuing pro-rata invoices for the period from November 2019 till the end of September 2020. The second main contributor was the low water levels during the winter months of 2019 which resulted in significantly lower Winter Membership and Training income as well as the cancellation of the annual regatta.
- The total training income for the entire 2019-2020 financial year was 47% lower than the previous year, partially due to the low water levels in the winter and cancellation of number of trainings, but also due to the fewer participants in the trainings that were held for the remainder of the year.
- During the previous financial year the club has received a Grant Funding of \$19,165 for purchase of the Quest boat. A further grant was awarded in December 2019, but the asset has not yet been received and so will be capitalised later in 2020

Expenses

Although the revenue this financial year was lower than the previous, for a number of reasons, the expenses were also significantly lower.

- Training costs were reduced compared to the previous financial year, because the club has run a fewer trainings, but also with lesser attendees compared to previous years.
- Power boats and sail boats repairs and maintenance cost was kept to only 20% of what was spent during the previous year. Instead an investment was made into a new RIB and motor. More details in section Assets.
- Property rent was reduced due to the COVID-19 pandemic measures and the rent relieve offered by the Victorian government to all Parks Vic tenants.
- Property repairs and maintenance cost is higher and one of the main contributors is the upgrade to the hot water system. The majority of the hardware and labour has been provided by the contractor, therefore \$3,677, which is 80% of the total quote, was accrued in the current financial year.
- Unification Expenses include 50% of the cost of the legal services required to support the APYC and ASC unification process. The cost is split evenly between ASC and APYC.

Hristina Burduja

Treasurer

Date: 21 April 2020