



LITTLE SHIP CLUB 2019-2020 TREASURER'S MANAGEMENT REPORT.

This Little Ship Club 2019-2020 Treasurer's Management Report explains the auditor's report. It also includes information on the three months to 31 October 2020 to give you more current information.

I took on the role of treasurer on 17 March 2020 after being appointed to the Board at the 2019 Annual General Meeting.

One week after my appointment as treasurer, non-essential travel to North Stradbroke Island was banned and we re-opened the Club as a take-away business.

To say that 2020 has been an extraordinary year with COVID is an understatement. It has required the Board (who are volunteers) to take extraordinary steps to protect the future of the Club.

The Board has focussed on cutting expenses, paying down bills/debts, improving operational efficiency, accountability, control and profitability (surplus funds for a NFP) of the Club.

Tony Neilson, the Chair of HLM, generously donated \$40,000 of his money which enabled us to trade through COVID – without this money, the Club is unlikely to have survived COVID.

I would like to give my personal heart-felt thanks to Tony for answering my questions, providing support and settling my nerves as we navigated our way through various challenges in COVID.

We were also able to access Job Keeper for two key staff to September 2020, Qld Government Cashflow Boosts and received financial grants which has certainly helped.

Tracey Rore (our bar manager), Julie Clark (bar supervisor) and Cassidy Pierce (bar server) also deserve praise and recognition for stepping up, working hard, being willing to learn and make improvements/change to navigate the Club through COVID.

Some of our achievements include:

- Since July 2020 the Club has made a small surplus each month
- In October 2020 we paid off 2018-19 Unpaid Superannuation Debt (\$20,344 in August 2019)
- This year we paid down creditors from \$91,609 in July 2019 to \$17,393 as at October 2020
- In September 2020 we outsourced the Bistro delivering more delicious meals to members, reducing operational costs and making it easier to manage the Club
- In September 2020 we changed to a new bookkeeper/accounting firm which has reduced costs and delivers more financial expertise/support to the Club
- On the recommendations of the previous bookkeeper the Board appointed a new auditor. This saved the Club money and has provided members with more detail about the Club's financials in the 2019-2020 audited reports
- Lee Shannon-Delaney took on the administration of membership services on a volunteer basis (previously undertaken by a paid administrative person)
- Cleaning wages have been reduced by using a combination of a paid cleaner, bar staff undertaking some tasks, and Warren Cuff volunteering on both cleaning and our lawns
- I have been working closely with Tracey Rore, our bar manager, on reducing wage costs, bar cost of sales and improving product margins and profitability to the Club
- Stock control has been improved and the H&L hospitality system upgraded (at no cost)
- Installation of NBN to deliver a better WIFI service to members (at a lower cost) and
- Energy Australia contract renegotiated to save money on energy bills.

It is important for the Club to generate a surplus to pay for capital improvements, deliver more value to members, and to pay off the 2018-2019 Unpaid ATO obligations.



The Club received an Adaptation Grant from the Qld Government to improve the Club's operations to help the Club recover from COVID. The Board is working with Clubs Qld on a business plan.

The accounting firm we hired is also working on budgets and financial tools to help the Club to control wages and cost of sales more effectively. The new budgets will include the provision of putting money aside (capital savings) for future capital improvements.

FINANCIAL PERFORMANCE FOR AUGUST 2020 TO OCTOBER 2020.

Income is recovering from the COVID lows with the Club now achieving a small surplus. The improved financial performance compared to the loss of (\$162,833.00) in 2019 and (\$129,329) in 2018 has been achieved through tighter financial controls and the increased use of volunteers including Board members to reduce administrative costs. This position will need to be maintained until the Club develops a more sustainable trading position.

The Club's building and equipment is aging requiring constant repairs. In the last few months we have replaced the glass washer, the ice maker machine and undertaken significant repairs.

The Board is working on a maintenance schedule to allow us to better plan for maintenance costs. Recently, a tree lopper trimmed trees and vines on fences in advance of the storm season.

In 2021 the Club will issue a small \$50 capital improvements levy (with membership subscriptions) to start saving up for major capital improvements such as repairs to the roof and building.

PROFIT & LOSS	Oct 2020	Sep 2020	Aug 2020
Income*	\$70,111	\$59,879	\$50,849
Cost of sale	\$20,304	\$16,473	\$15,384
Gross Profit	\$49,807	\$43,406	\$35,465
GP %	71%	72%	70%
Other Income	\$109	(\$885)	\$1,341
Operating Expenses	\$40,532	\$31,187	\$31,766
Net Profit	\$9,384	\$11,334	\$5,040
Net Profit %	13%	19%	10%

(* The above figures exclude COVID relief and grant income to demonstrate the real surplus. Numbers are rounded to nearest dollar.)

FINANCIAL PERFORMANCE FOR JULY 2019 TO JUNE 2020

PROFIT & LOSS	2019-2020
Income*	\$792,821
Cost of sale	\$292,420
Gross Profit	\$500,401
GP %	63%
Other income	\$124,187
Operating Expenses before depreciation and long service leave provision for staff	\$581,708
Net Profit	\$42,880
Net Profit %	5%
Less depreciation & long service leave provision	
Depreciation	\$51,635
Long Service Leave Provision	\$5,409
Net Profit after depreciation & long service leave provision	(\$14,164)
Net Profit %	(-2%)



FINANCIAL POSITION FOR AUGUST 2020 TO OCTOBER 2020

Cash in the main bank account, investment account and ATM account has increased. Since August 2020 we have progressively increased stock levels following a depletion in early COVID.

Current liabilities (supplier bills) have been paid down and are all current and paid on time. The 2018-2019 Unpaid Superannuation debt has been paid out.

The 2018-2019 Unpaid ATO obligation of \$47,187 (July 2019) was put on hold during March-August 2020 (with the ATO's permission) and by agreement with the ATO we recommenced paying \$2,500/month in September 2020.

BALANCE SHEET	Oct 2020	Sep 2020	Aug 2020
ASSETS			
Bank	\$159,509	\$155,290	\$146,584
Current Assets	\$43,108	\$33,312	\$28,014
Fixed Assets	\$2,054,900	\$2,054,900	\$2,052,577
Total Assets	\$2,257,517	\$2,243,502	\$2,227,175
LIABILITIES			
Current Liabilities	\$7,371	\$2,485	\$13,284
Non-Current Liabilities	\$63,445	\$69,700	\$70,043
Total Liabilities	\$70,816	\$72,184	\$83,327
Net Assets	\$2,186,702	\$2,171,318	\$2,143,849
Total Equity	\$2,186,702	\$2,171,318	\$2,143,849

(Numbers are rounded up to nearest dollar)

FINANCIAL POSITION AS AT 30 JUNE 2020

BALANCE SHEET	2019-2020	2018-2019
ASSETS		
Bank	\$94,016	\$90,153
Current Assets	\$30,073	\$56,300
Fixed Assets	\$2,052,577	\$2,101,462
Total Assets	\$2,176,665	\$2,247,915
LIABILITIES		
Current Liabilities	\$17,627	\$110,610
Non-Current Liabilities	\$117,854	\$94,873
Total Liabilities	\$135,480	\$205,483
Net Assets	\$2,041,185	\$2,042,432
Total Equity	\$2,041,185	\$2,042,432

If you have any questions about the financials for the Little Ship Club please call Maria Anderson, the treasurer on 0402 095 699.

12 November 2020