



## LITTLE SHIP CLUB 2020-2021 TREASURER'S MANAGEMENT REPORT.

This Little Ship Club 2020-2021 Treasurer's Management Report provides background information to the auditor's report.

### Net surplus

The Club achieved a net surplus of \$133,563 (after depreciation of \$32,182) which is an excellent result given the challenges associated with COVID.

2020-2021	2019-2020	2018-2019	2017-2018
\$133,563	(\$14,164)	(\$162,833)	(\$129,329)

### Revenue

The Club achieved an overall income of \$797,499 which is lower than the previous year due to the Club outsourcing the Waterfront Bistro; however, income from the bar increased.

Outsourcing the bistro combined with improved stock management increased gross profit by 6%, generating an additional \$30,224 surplus.

	2020-2021	2019-2020
Bar Sales	503,741	430,213
Cost of sale	180,605	180,668
<b>Gross Profit (\$)</b>	<b>\$323,136</b>	<b>\$249,545</b>
<b>Gross Profit (%)</b>	<b>64%</b>	<b>58%</b>

### Expenses

In 2020-2021 the Club reduced expenses through greater use of volunteers and improved the operational efficiency of the Club which has helped us achieve a surplus of \$133,563.

On behalf of the Board, I would like to take the opportunity to thank five key volunteers who have made large contributions to the Club in 2020-2021:

- Lee Shannon-Delaney – who undertakes membership administration
- Warren Cuff – who undertakes a significant amount of the cleaning, gardening, and maintenance
- Bruce Phillips – who has undertaken a large amount of much-needed maintenance work with assistance from many members who have donated their time on working bees
- Peter Shepherd – who has undertaken considerable compliance work, has managed the negotiation of our waterfront leases, is working on updating our constitution and has provided the Government with feedback on the Dunwich Gumpi Plan
- Dennis Cronin who has worked with DWS (Hospitality Specialists) to improve our OHS Systems and Anti-Money Laundering and Counter-Terrorism Funding systems.

Additionally, in 2020-2021 the Board has had the advantage of having long-term members such as Alan Gwynne, Arthur Mobsby, Garry Clayphan and Mark Lopez making valuable contributions as members of our subcommittee. I thank them for their generous contributions.



### **Cash**

To make the Club sustainable, especially during this uncertain period of COVID, I have proactively increased the cash reserves of the Club, achieving a total cash in hand of \$199,956 on 30/06/2021 (compared to \$94,015 as at 30/06/2020).

### **Liabilities**

The Club continues to pay all financial obligations, including our BAS and superannuation, on time.

The 2018-2019 ATO debt (\$47,187 on 31/07/2019) had a balance of \$28,524 on 30/06/2021. The balance was \$20,246 (22/09/2021), and the debt will be paid off by 30 June 2022.

### **Equity**

The equity in 2020-2021 rose to \$2,161,831 up from \$2,028,268 in 2019-2020.

## **KEY ACHIEVEMENTS**

### **Grants**

As the treasurer, I was successful in organising the application of the following grants:

- Redland City Council grant for marketing (\$3,300) for new signage at the Club
- Redland City Council Community Organisation Support (Sustainability) (\$5,000)
- Redland City Council Community Capital Infrastructure (\$3,593) for fire and emergency equipment
- Adaptation Grant (\$9,590) for business planning and preparation of a financial budget
- COVID-19 Business Support Grants (\$10,000) following the recent lockdown.

Recently I organised the application for \$30,000 for a Gaming Community Grant for a partial roof replacement (with the total cost expected to be between \$65,000 and \$85,000).

### **Operational**

Tracey Rore has recently been appointed the Assistant Club Manager. Over the last 15 months, Tracey and I have worked on improving the operational efficiency of the Club. She has improved our stock management and has kept our bar wage costs below the industry benchmark for clubs. Tracey is to be commended for making improvements in a challenging economic climate.

I have been asked by a member why the Club doesn't outsource the management of the Club. The answer is two-fold 1) members receive a better quality of service by keeping the management in-house and 2) managing a club today is much more complex with a higher level of compliance required, and our staff have the relevant qualifications and experience required.

Keeping the Club's management in-house and focussing on keeping key expenses such as wages and cost of sale within industry benchmarks has contributed to Club making a healthy surplus in 2020-2021 in a challenging environment.

By valuing our staff, treating them with respect and investing in training, our team has delivered better service to members and are more motivated on making progressive improvements that have enhanced the profitability of our Club.

I have also been asked why the Club only opens Wednesday to Sunday. COVID limits our ability to earn an income. At present, opening Wednesday to Sunday allows the Club to generate a surplus which is reinvested back into the Club. Permanently opening on a Monday and Tuesday would result in the Club generating a significant deficit on those days which would impact our ability to achieve a surplus.



With more Australians vaccinated, the Board hope that COVID will subside soon. As a result, Tracey Rore and I intend to trial opening the Club on Monday and Tuesday during key weeks over Christmas and Easter and on more long weekends. The results of these trials will inform the Board of the financial implications of additional opening days.

I have also commenced working with the Redland City Council on increasing income from tourists and day visitors. I am working with Tracey Rore on expanding event bookings. After a successful event in October 2020, the Moreton Bay Foundation is once again holding their annual On the Bay private event at the Club in October this year.

I own a successful marketing business, so I am using my core expertise in marketing to progressively improve member communications and increase the Club's marketing (as my time allows as a volunteer).

### **Member benefits**

The improved financial performance of the Club has increased our cash reserves. The Board is making progressive improvements that will benefit our members, namely:

- An extensive range of maintenance, including painting and repairs
- Improving our technology to increase the reliability of point of sale, ATM, and internet
- Replacing our outdoor furniture and enhancing safety
- Painting and repairs in the gaming room
- Purchase of new fire and emergency equipment
- Purchase of a defibrillator and training staff on first aid
- We are also planning to improve our music system

The money received from members for the roofing levy is being held in our investment account, and I hopeful if the grant application is successful, the Club can afford to replace the older leaking area of our roof. I have also set aside a significant amount of membership subscriptions for maintenance and improvements to the Club.

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

**LSC Rear Commodore**

24 September 2021