

Treasurers Report to the Annual General Meeting

Shoreham Sailing Club
September 2023

Published on 15 Oct 2023

Commentary

SUMMARY

The below has been prepared in Xero, an online accounting package and FathomHQ (reporting software) to provide a summary of the Profit and Loss, Cashflow and Balance sheet of the club on an accrual basis. This will differ in presentation to the CC16A which is in the Trustee Annual Report which presents the financials on a receipts and payments basis.

Club income was higher than last year (£58,191 versus £57,742), and this was achieved despite no one-off grant income in the current year.

Expenses were lower this year (£42,886 versus £48,154) which partly reflects fewer one-off costs from the prior year that the club did not have to incur in the current year. Nevertheless, the club did incur some one-off costs including:

- a DSEAR assessment (Dangerous Substances and Explosive Atmospheres Regulations) which cost £550 and will mean the development and refinement of the existing safety policies.
- a 5 year electrical condition report and PAT testing undertaken which cost £540.

The club therefore generated higher EBITDA this year when compared with last year (£15,304 versus £9,588). In terms of EBIT (which includes the cost of depreciation), we made a small loss of -£6,315 which was a lower loss than the last year (-£10,180).

In terms of capital expenditure, the club spent £12,037 (versus last year £23,396) The breakdown of this is shown below but relates to new racing marks, 2 dedicated petrol storage containers, a gas bottle cage, the electrical works undertaken throughout the building, a lawnmower, CCTV improvements, and a cover for Gift 'Orse.

As a result of the lower capex, we can see that the overall net book value of the fixed assets have decreased since last year (£139,799 versus last year at £149,381)

As a result of the higher EBIT, lower capex and the movement in working capital, the overall cash position is higher than last year (£38,112 versus £36,727) reflecting receipts being higher than payments. A chart of the cash position over the last 12 months is shown below. The net assets of the club now stand slight lower than last year (£177,284 versus £183,599). A chart of the last 12 months net assets is below.

Income - Commentary

Total Club membership income was £45,124 in the current year versus £40,383 last year. This increase arose from higher subs (£27,854 versus £24,359), boat fees (£11,133 versus £10,103) and harbour dues (£2,680 versus £2,611). This reflects a mix of the fee increase, additional activity and active engagement with members at renewal.

We also collected additional guest and affiliate income of £2,907 versus £2,769 for last year. This primarily includes income from the Sea Scouts and the Adur Sailing Club who both provide vital contributions to the clubs finances and enable greater community access to water sports and thus also helping fulfil the club's wider charitable objectives and stated public benefit objectives.

The social income (including that from the bar, open meetings, galley and merchandise) was higher £11,937 versus £11,391 last year. Open meetings generated £4,150 which was higher than the prior year £3,675 despite there being a number of cancellations due to weather. The income from the bar was £5,311 which was slightly lower than the prior year at £5,657.

Other income, was lower this year (£1,130) than last year (£5,317). This is due to the council COVID grants ceasing. Other income also includes the fuel duty rebate from HMRC of £421 (versus last year of £483).

Expenses - Commentary

Expenses are shown across the four categories of **operational, social & trading, admin** and **establishment**.

Operational costs were £7,785 versus last year at £10,375 . The reduced costs largely relate to lower boat expenses.

Social & trading costs were £6,827 versus last year (£4,815) reflecting an increase across several categories (Galley, Social, Other/Merchandise). The galley costs were higher as a result of higher dinner/dance costs and also the increased cost of open event lunches supplied to those doing boat duties. The bar itself made a contribution with profit at £2,130 (versus £2,232 last year). The sale of merchandise (£689) was effectively break-even with profits at £54.

Administration costs were £11,708 versus last year at £16,100 . Admin costs relate to insurance, software, licences, RYA affiliate cost, the independent reviewer cost and the telephone/broadband. We incurred £550 to undertake a DSEAR assessment which has been completed and generated a list of safety policy issues that still need addressing. We also undertook the 5 year electrical condition report which cost £540

Establishment costs were £16,567 which compares with £16,865. These relate to grounds and building expenses, cleaning costs, gas, electricity, water, rates, and peppercorn rent. The condition of the slipway continues to be carefully monitored with the support of Shoreham Port and the Environment Agency who have commissioned an additional independent survey to document the ongoing issues.

Cashflow and Balance Sheet - Commentary

The club generated operating cashflow of £13,422 versus last year of £12,098 . With Capital expenditure of £12,037 (versus £23,396 last year) the club cashflow after capex was £1,385 (compared with -£11,298). The balance sheet shows a reduction in fixed assets partially offset by a small higher cash level leaving net assets at £177,284 (versus £183,599 last year)

Spending Plans, Budget for Next Year

The budget for next year, which as a base case assumed no increase in membership fees subscriptions, forecasts EBITDA of c. £19,632 and a small loss at the EBIT level of -£2,928. The key spending plans for next year will initially be tied to the remaining tasks resulting from the external Fire Risk and DSEAR Assessment together (including but not limited to the construction of a fence to protect the Calor Gas storage, the construction of a base for the gas cylinder cage, fire rated plaster board under the stairs), together with other items necessary to protect the club and keep the club building and its equipment in good order.

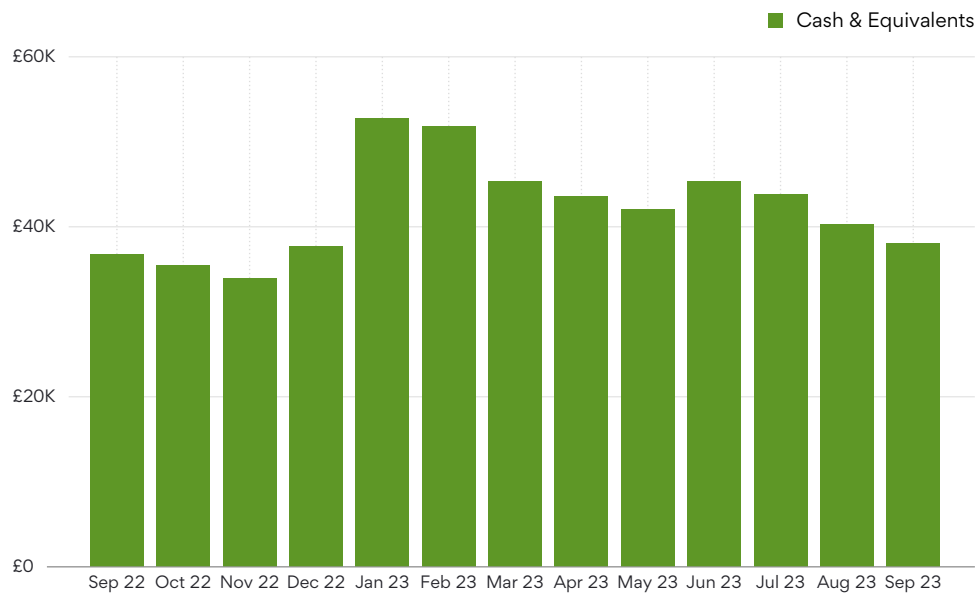
Capital Expenditure Items

- 4 new marks were bought for £2,198
- 2 dedicated petrol storage containers cost £3,469
- Gas bottle cage cost £378
- Electrical works (largely relating to fire risk assessment) cost £4,732
- Lawnmower for £317
- CCTV for £365
- Plastimo Regatta Triathlon Racing Mark for £129 (purchased in January 2023)
- Patriot Boat Cover for £450
- **Total £12,037**

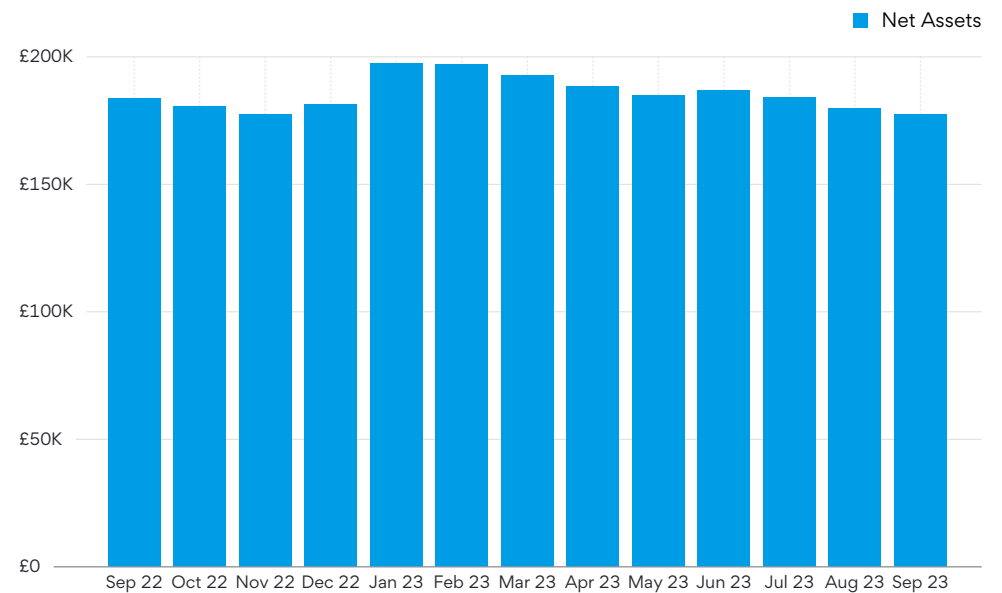
One Off Expense

- **Admin:** Electrical condition report and PAT testing cost £540
- **Admin:** DSEAR Assessment cost £550
- **Operational:** Floating binoculars and compass for £365
- **Total £1,455**

Cash & Receivables



Net Assets



Summary P&L, Cashflow and Balance Sheet

PROFIT & LOSS (£)	2022/2023	2021/2022	This year vs last year (%)	This year vs last year (£)
Revenue				
Membership				
Membership Subscriptions	27,854	24,359	14.35%	3,494
Membership Boat Fees	11,133	10,103	10.19%	1,030
Group / Affiliate Income	2,907	2,769	4.98%	138
New Members	550	540	1.85%	10
Membership/Subscriptions/Harbour Dues Collected	2,680	2,611	2.64%	69
Total Membership	45,124	40,383	11.74%	4,741
Guest / Other Income				
Guest / Other Income	0	653	-100.00%	-653
Social				
Open Meetings	4,150	3,675	12.93%	475
Bar Income	5,311	5,657	-6.12%	-346
Galley	400	600	-33.33%	-200
Social and Trading/Social, Polos etc, other	2,076	1,458	42.36%	618
Total Social	11,937	11,391	4.80%	546
Other Income				
Other income / training	0	510	-100.00%	-510
Grants and Sponsorship	0	3,968	-100.00%	-3,968
Miscellaneous	1,130	839	34.72%	291
Total Other Income	1,130	5,317	-78.75%	-4,187
Total Revenue	58,191	57,742	0.78%	448
Expenses				
Operational Costs				
Fuel	1,337	1,471	-9.11%	-134
Operating Costs/Trophies & Prizes	705	990	-28.78%	-285
Operating Costs/Harbour Dues	2,957	3,018	-2.00%	-60
Operating Costs/Equipment/Boat Expenses	2,537	4,897	-48.20%	-2,360
Operating Costs/Training	250	0	-	250
Total Operational Costs	7,785	10,375	-24.96%	-2,589

	2022/2023	2021/2022	This year vs last year (%)	This year vs last year (£)
Social & Trading				
Bar	3,181	3,425	-7.13%	-244
Open Meetings	700	104	574.85%	597
Galley	2,311	719	221.23%	1,592
Social Other	635	567	11.98%	68
Total Social & Trading	6,827	4,815	41.78%	2,012
Administration				
Printing & Postage, Zettle Fees	747	251	197.64%	496
Admin/Insurance	5,674	5,145	10.28%	529
Admin/IT/Telephone	342	295	16.13%	48
RYA, Miscellaneous	4,944	10,409	-52.50%	-5,464
Total Administration	11,708	16,100	-27.28%	-4,392
Establishment				
Ground Rent, Rates	357	511	-30.11%	-154
Water & Elec	3,243	3,379	-4.02%	-136
Grounds Expenses	4,010	3,644	10.06%	366
Establishment Costs/Gas	881	495	77.82%	385
Establishment Costs/Building Expenses	1,377	1,409	-2.27%	-32
Establishment Costs/Slipway Expenses	681	2,475	-72.47%	-1,794
Establishment Costs/Cleaning	6,017	4,952	21.51%	1,065
Total Establishment	16,567	16,865	-1.77%	-298
Total Expenses	42,886	48,154	-10.94%	-5,268
EBITDA	15,304	9,588	59.62%	5,716
Total Depreciation & Amortisation	21,619	19,768	9.37%	1,852
Earnings Before Interest & Tax	-6,315	-10,180	37.96%	3,865
Net Income	-6,315	-10,180	37.96%	3,865

CASH FLOW STATEMENT	2022/2023	2021/2022
OPERATING ACTIVITIES		
Net Income	-£6,315	-£10,180
Depreciation & Amortisation	£21,619	£19,768
Change in Accounts Payable	-£408	£451
Change in Other Current Liabilities	-£900	£3,300
Change in Accounts Receivable	-£508	-£1
Change in Other Current Assets	-£66	-£1,241
Cash Flow from Operating Activities	£13,422	£12,098
INVESTING ACTIVITIES		
Change in Fixed Assets (ex. Depn and Amort)	-£12,037	-£23,396
Cash Flow From Investing Activities	-£12,037	-£23,396
FINANCING ACTIVITIES		
Change in Other Equity	£33,366	-£6,274
Change in Earnings not attributable to Retained Income	-£33,366	£6,274
Cash Flow From Financing Activities	£0	£0
Change in Cash & Equivalents	£1,385	-£11,298
Cash & Equivalents, Opening Balance	£36,727	£48,026
Cash & Equivalents, Closing Balance	£38,112	£36,727

BALANCE SHEET	2022/2023	2021/2022
ASSETS		
Cash & Equivalents	£38,112	£36,727
Accounts Receivable	£508	£1
Other Current Assets	£1,307	£1,241
Total Current Assets	£39,927	£37,969
Fixed Assets	£139,799	£149,381
Total Non-Current Assets	£139,799	£149,381
Total Assets	£179,726	£187,350
LIABILITIES		
Accounts Payable	£42	£451
Other Current Liabilities	£2,400	£3,300
Total Current Liabilities	£2,442	£3,751
Total Non-Current Liabilities	£0	£0
Total Liabilities	£2,442	£3,751
Net Assets	£177,284	£183,599
EQUITY		
Retained Earnings	£143,973	£187,519
Current Earnings	-£6,315	-£10,180
Other Equity	£39,626	£6,260
Total Equity	£177,284	£183,599

Budget for 2024

PROFIT & LOSS	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Total
Revenue													
Membership													
Membership Subscriptions	£0	£0	£8,685	£12,820	£3,660	£2,750	£0	£255	£700	£0	£0	£15	£28,885
Membership Boat Fees	£0	£0	£4,050	£5,400	£950	£350	£0	£0	£0	£0	£0	£0	£10,750
Group / Affiliate Income	£0	£0	£0	£0	£2,907	£0	£0	£0	£0	£0	£0	£0	£2,907
New Members	£0	£0	£0	£0	£0	£0	£0	£50	£80	£0	£0	£0	£130
Membership/Subscriptions/...	£0	£0	£860	£1,620	£200	£0	£0	£0	£0	£0	£0	£0	£2,680
Total Membership	£0	£0	£0.01M	£0.02M	£7,717	£3,100	£0	£305	£780	£0	£0	£15	£0.05M
Social													
Open Meetings	£0	£0	£0	£0	£0	£0	£0	£1,711	£2,173	£836	£21	£750	£5,491
Bar Income	£164	£623	£0	£0	£0	£180	£553	£559	£2,205	£1,000	£700	£1,000	£6,984
Galley	£50	£50	£0	£0	£0	£0	£50	£50	£50	£50	£50	£50	£400
Social and Trading/Social, ...	£41	£917	£0	£0	£0	£0	£44	£210	£20	£187	£35	£12	£1,466
Total Social	£255	£1,590	£0	£0	£0	£180	£647	£2,530	£4,448	£2,073	£806	£1,812	£0.01M
Other Income													
Miscellaneous	£20	£20	£20	£20	£20	£20	£20	£20	£20	£560	£20	£120	£880
Total Revenue	£275	£1,610	£0.01M	£0.02M	£7,737	£3,300	£667	£2,855	£5,248	£2,633	£826	£1,947	£0.06M
Expenses													
Operational Costs													
Fuel	£72	£187	£0	£0	£0	£0	£191	£225	£275	£200	£225	£150	£1,525
Operating Costs/Trophies ...	£0	£705	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£705
Operating Costs/Harbour...	£0	£0	£0	£0	£600	£0	£2,450	£0	£0	£0	£0	£0	£3,050
Operating Costs/Equipmen...	£0	£0	£0	£0	£1,650	£125	£75	£75	£75	£75	£0	£0	£2,075
Total Operational Costs	£72	£892	£0	£0	£2,250	£125	£2,716	£300	£350	£275	£225	£150	£7,355
Social & Trading													
Bar	£230	£650	£0	£0	£0	£150	£430	£550	£1,000	£200	£200	£600	£4,010
Open Meetings	£0	£0	£0	£0	£0	£0	£0	£510	£161	£140	£0	£140	£951
Galley	£0	£1,700	£0	£0	£0	£0	£0	£26	£120	£0	£0	£0	£1,846
Social Other	£24	£61	£0	£0	£0	£0	£80	£165	£0	£25	£25	£0	£380
Total Social & Trading	£254	£2,411	£0	£0	£0	£150	£510	£1,251	£1,281	£365	£225	£740	£7,187
Administration													
Printing & Postage, Zettle ...	£20	£20	£100	£200	£20	£20	£20	£20	£20	£20	£20	£20	£500
Admin/Insurance	£0	£0	£5,500	£0	£0	£0	£0	£0	£0	£0	£0	£0	£5,500
Admin/IT/Telephone	£30	£30	£30	£30	£30	£30	£30	£30	£30	£30	£30	£30	£360
RYA, Miscellaneous	£194	£919	£194	£194	£194	£261	£934	£194	£194	£194	£194	£301	£3,967
Total Administration	£244	£969	£5,824	£424	£244	£311	£984	£244	£244	£244	£244	£351	£0.01M
Establishment													
Ground Rent, Rates	£56	£56	£56	£0	£0	£0	£63	£63	£63	£0	£0	£0	£357
Water & Elec	£300	£150	£125	£325	£125	£200	£500	£200	£233	£433	£233	£380	£3,204
Grounds Expenses	£200	£200	£200	£0	£0	£500	£200	£1,600	£200	£200	£200	£200	£3,700
Establishment Costs/Gas	£17	£0	£0	£17	£0	£0	£17	£0	£700	£0	£0	£0	£751
Establishment Costs/Build...	£0	£0	£400	£400	£400	£0	£0	£0	£0	£0	£0	£0	£1,200
Establishment Costs/Slip...	£65	£65	£65	£0	£0	£0	£65	£65	£65	£65	£65	£65	£585
Establishment Costs/Clea...	£615	£650	£325	£300	£300	£300	£675	£615	£650	£615	£615	£615	£6,275
Total Establishment	£1,253	£1,121	£1,171	£1,042	£825	£1,000	£1,520	£2,543	£1,911	£1,313	£1,113	£1,260	£0.02M
Total Expenses	£1,823	£5,393	£6,995	£1,466	£3,319	£1,586	£5,730	£4,338	£3,786	£2,197	£1,807	£2,501	£0.04M
EBITDA	-£1,548	-£3,783	£6,620	£0.02M	£4,418	£1,714	-£5,063	-£1,483	£1,462	£436	-£981	-£554	£0.02M
Total Depn & Amort.	£1,880	£1,880	£1,880	£1,880	£1,880	£1,880	£1,880	£1,880	£1,880	£1,880	£1,880	£1,880	£22,560
Earnings Before Interest & Tax	-£3,428	-£5,663	£4,740	£0.02M	£2,538	-£166	-£6,943	-£3,363	-£418	-£1,444	-£2,861	-£2,434	-£2,928
Net Income	-£3,428	-£5,663	£4,740	£0.02M	£2,538	-£166	-£6,943	-£3,363	-£418	-£1,444	-£2,861	-£2,434	-£2,928