

23rd April 2023

CENTRAL COAST BRIDGE CLUB

ANNUAL GENERAL MEETING: 6TH MAY 2023

TREASURER'S REPORT

I must firstly acknowledge and thank my wife Dawn and David Purkiss - without them taking over most of the work involved being the Club Treasurer for the past two years, I could not have continued due to my health problems.

THANK YOU BOTH

I am pleased to see that David has nominated for the role of President. I have always found him to be a reliable and professional person who I consider will be the President needed in the future when all the renovations questions are put forward.

I must also thank David for all the effort put in the preparation of this report.

Phil Thomas
Hon. Treasurer

FINANCIAL STATEMENTS FROM 1ST APRIL 2022 TO 31ST MARCH 2023 – KEY POINTS

1. A net operating profit of \$1,762 was generated during 2022/2023 compared to a trading profit of \$7,756 for 2021-2022 (excluding the \$30,000 from NSW Government Covid-19 pandemic financial assistance) i.e. a decrease of \$5,994.
2. Total Income increased from \$82,476 to \$96,235 (by \$13,759 or 16%) excluding the \$30,000 received from Covid-19 grants – this increase in income included annual membership fees: increased by \$680 from \$6,725 to \$7,405, congress income: increased by \$9,899 from \$4,493 to \$14,392, lessons: increased by \$5,005 from \$1,509 to \$6,514 and interest income: increased by \$1,494 from \$321 to \$1,815 (due to higher interest rates) - table fee income: remained steady at around \$68,000.
3. Total expenditure increased from \$75,041 to \$96,289 (by \$21,248 or 28%) including increases in ABF Capitation Fees (\$1,199); Advertising (\$3,528); Congress Expenses (\$7,493); Functions & Catering (\$2,058); Legal Fees \$5,569; Printing & Stationery (\$3,801); Rates (\$1,204); Tea and Coffee Expenses (\$1,654) and decreases in external director's fees (\$4,613). Please note that the continuing decision of Directors to forego the payment of directors' fees provided a significant boost to the Club's profitability. The legal fee costs included legal advice associated with developing the new Constitution and with removing an old mortgage encumbrance from the property title deed. These legal costs are non-recurring and abnormal in nature.

CASH RESERVES

During the 2022-2023 financial year, the CCBC's total cash reserves decreased by \$8,315 from \$223,019 to \$214,704 i.e. decreased by the payment of architects and consulting fees on the Building Upgrade Project of \$14,413 less the cash flow surplus from trading activities of \$9,503 (Net Profit: \$1,762 plus non cash depreciation charge of \$7,741) and positive balance sheet movements of \$3,405. Please note that the total cash reserves of \$214,704 at the 31st March 2023 represent a very healthy financial position.

TABLE FEE INCREASE ON 1ST APRIL 2023

Table fees were increased from \$7 to \$8 on the 1st April 2023 for the following 3 reasons: -

- 1) to offset the impact of inflation on operating costs - since the table fee increase of \$2 on the 1st February 2021, inflation has been 4% for 2020-2021, 5% for 2021-2022 and is projected to be 7.5% for 2022-2023 i.e. total inflation of 16.5% since the last table fee increase
- 2) to adhere to the ABF finance application loan conditions relating to the Building Upgrade Project including an increase in table fees from \$7 to \$8 effective 1st April 2023 and
- 3) to assist with returning the CCBC to the levels of net profitability and cash flow surpluses generated before the Covid-19 pandemic arrived in March 2021.

MEMBER NUMBERS: FULL: 170 & SOCIAL: 8

The number of full members remained steady at around 170 whilst the number of social members decreased from 14 to 8 during 2022-2023. This was an encouraging outcome given the availability of a myriad of alternative leisure pursuits for retirees (golf, lawn bowls, holidays, travel etc), competition from other Central Coast bridge clubs and the Registered Club industry, difficulty in attracting members back to the CCBC post the Covid-19 pandemic and health problems of some members. John Redfearn and his training and learning team continued to work tirelessly to attract new members via the beginner's classes. Going forward, the CCBC must continue to support these training efforts with targeted marketing initiatives including the electronic sign messaging, advertising via Coast Chronicle News, posters & flyers etc.

CAPITAL EXPENDITURE – BUILDING UPGRADE PROJECT

Capital expenditure during 2022/2023 included \$14,413 in Architects & Consulting costs associated with the Building Upgrade Project and the lodgement of the Development Application as follows: - Development Application Fees to CC Council: \$3,006, Disability Access Report: \$1,650, Traffic & Parking Assessment Report: \$4,015, Inspection & Survey of Stormwater Pipeline: \$2,398 and Architects Fees: \$3,344 including additional time spent answering the numerous requests for information from the Central Coast Council (RFI's).

TRADING CONDITIONS FOR 2023-2024

The trading conditions for 2023-2024 have improved and the CCBC will generate a significantly higher cash flow surplus during the next 12 months of around \$25,000 (compared to around \$9,500 for 2022-2023) for the following reasons: Surplus Trading Cash Flow: \$8,000 (assume same as 2022-2023); Table Fee Increase from \$7 to \$8: \$9,000; Legal Fees: \$5,569 non-recurring; Interest Earned from Term Deposits: \$6,000 on investments totalling \$150,000; Less: Increase in Operating Costs of 4% on \$80,000 or \$3,200 = \$8,000+\$9,000+\$5,569+\$6,000-\$3,200 = \$25,369. These additional funds will assist with consolidating the CCBC cash flow position and contributing towards the Building Upgrade Project.

Thank you to all members who have volunteered their time during the year with the CCBC well placed to generate annual trading and cash flow surpluses in line with those earned before the advent of the Covid-19 pandemic during 2020-2021.

Phil Thomas

Treasurer