Financial Report of Peninsula Bridge Club Inc for the Year Ending 31 August, 2018

Gross income increased 31.9% from $190,736 to $251,589. Expenses grew 25% to $233,377 resulting in a surplus of $18,213 compared to prior year surplus of $4,101. Our “cash” surplus for the current year (excluding amortisation and depreciation) was $37,520 compared to $24,744 last year.

Some comments on the more significant contributors to our results:

* At the start of the year we increased table money so had to expense the increased value this represented on all the outstanding (unused) vouchers and PPVs that had been issued at the old price. This was estimated at a cost of $6,900 which is shown as a negative revenue.
* PPV Discounts ($8,790) is the difference between regular table money of $7 and the discount given for purchase of 10 PPVs at $6.50 each.
* House and Winners’ Concessions have been moved from the revenue section of the Profit & Loss Statement to the expense section following advice from the Department of Fair Trading which oversees associations such as ours. House Concessions (where we provide free game vouchers to “volunteers”) are now expensed in Helper Vouchers Issued – more below.
* The Bridge Education Team continue to support the Club by attracting new members (as well as developing the skills of regular players) - Lessons Income grew by 59.8% to $6,610 with Net Lessons Income (after costs) up 225% to $3,446.
* During the year our accounting treatment of Supervised Sessions changed from directors providing the Club with a net $3 per player per session, to the same as for Duplicate Sessions – all table money is banked and the director is paid as a Non-Playing Director. This has increased both the revenue and expense lines.
* Sundry Income grew by over 4,000% off a very small base due to receipt of a grant from the Department of Infrastructure of $7,500 and a donation from Cr Rory Amon of $400.
* Wages & on-costs: in our first full year of employing our Administration Officer, this expense grew from $2,523 (representing only one month) to $26,062.
* GST: the Club belatedly took on its responsibility as a GST entity and while this is a Balance Sheet item so does not show up in the Profit and Loss Statement, the net of what we have to pay on our revenues over what we can claim back on our expenses has to be covered in increased pricing. This net impact for the financial year was $9,814.
* While kitchen expenses appear to have increased by 216% during the year we have changed how we expense certain items and to better compare this and last year we should look at the three lines of Kitchen Expenses, Wine Beer, and Catering Supplies in total. This shows a drop of 13.6% from $23,146 to $20,003. However, during the year we changed how we recognise the cost of vouchers issued to kitchen helpers (these are now expensed to Helper Vouchers rather than Kitchen Expenses as per last year) – if we add back this year’s kitchen helper voucher cost of $6,223 so we can compare like with like, our total kitchen expense this year was $26,226 – up 13.3% on last year.
* Cessation of winners’ vouchers has contributed approximately $6,000 since the end of May.
* Directing Fees: in the past directing costs were spread over two accounts (Directing Fees where cash was paid, and House Concessions where vouchers were issued) so it was problematic to manage this significant expense line. These are now all expensed to Directing Fees so we better understand the nature of our expenses. This has added $12,390 to this expense line that last year would have been expensed to House Concessions.
* Helper Vouchers Issued (previously House Concessions) are down by $10,885 from last year as director vouchers have been transferred out per the previous point. This is partially offset by the transfer in of kitchen vouchers which were previously shown in kitchen expense.
* Equipment, Cards, etc grew 1,175% off a very small base, as we replaced our cards which we do approximately every two years.
* Bank charges grew 112% as we now use a more sophisticated, and costlier, Commonwealth Bank system in order to meet the requirements of our constitution that two people are required to process payments. These still represent less than 1% of our expenses.

As would be expected after a solid year, our balance sheet also remains in very good condition.

* Total assets grew 7.7% to $442,497 while net assets and members’ equity grew by 4.8% to $397,662

This year we exceeded the $250K turnover threshold so are now a Tier I association. We will now be subject to greater oversight from the Department of Fair Trading with more detailed formal reporting required. We will also need to have our accounts formally audited by an independent accounting firm. While this will create more work, I believe it was inevitable.

The Committee has completed the Australian Tax Office’s self-assessment and has confirmed that we remain a not-for-profit association.

A new item on our Balance Sheet this year is Charity Clearing, with a balance of $7,441.20. (Previously monies raised for charity did not go through the Club’s books.) So well done to all, especially Sue Riley, as we now have $7,441.20 to donate to our nominated charities.

I would like to acknowledge the help provided by Max Paterson who has volunteered hundreds of hours towards the smooth running of the finances of the Club. Without his dedication, knowledge and good humour we would not have been able to get these accounts done. Thanks Max!

I believe the Club continues in good financial health and I commend the annual accounts to members.

Bob Whiddon, Treasurer