

DYC Consolidated Treasurer's Report and Financial Review 2022-2023 (for the AGM 27th January 2024)

Summary

This report covers the period 01 October 2022 to 30 September 2023 during which the Club operated a wholly owned subsidiary DYC (Trading) Ltd from April 2023 due to the club's tax status with HMRC is a Community Amateur Sports Club (CASC). So the Financial Statement for Holdings do include 6 months prior to the split. In order to make some comparisons I am commenting on the Group results although next year this will form two separate reports with full year accounts on each.

	Revenue	Direct Costs	Admin Costs bef Depn	Depreciation	Net profit / (Loss)
DSC (Holdings) Ltd	178,303	(85,932)	(119,259)	(43,626)	(70,982)
DYC (Trading) Ltd	176,840	(140,572)	(47,399)		(11,131)
Group	357,143	(226,504)	(166,889)	(43,395)	(82,113)

The consolidated income for the financial year was 4% down on the previous year (£372,68) and fell short of the original forecast for the Trading entity but this is mostly in line with other hospitality businesses due to inflationary pressures and cost of living crisis.

Direct Costs were overall 3.6% higher (£218,629)

Overheads were significantly higher than the previous year (+80k) however it appears that several energy bills were not included in 2022 accounts due to the complexities of our energy supplier billing and meter reading. The new Club Manager cost is treated as an Operating cost and the cost shared between entities.

Overall, the Club finished the year with a deficit of £82,113 compared with the profit of £23,094 in 2021-22 which is realistically an overstated 'profit'.

DSC Holdings recharges other relevant Operating costs monthly to the Trading company via a resource sharing agreement.

The key intention this year was to improve the financial recording providing more relevant and timely Management Accounts information to the Committee. Staff & other direct costs are now being split by each Trading activity identifying unsustainable areas. The Club relies on building up a cash surplus during the summer months in order to manage deficits during quieter times. However those summer months didn't provide the usual surplus. The provision of food has rarely been a profitable part of the hospitality function, but in fact the losses were depleting the club revenue for some time.

Significant changes in Consolidated running costs (for comparison) were:

Bar Sales + £23,157

Food Sales - £20,974

Closing stock value - £1,889

Rent receivable - £4,447

Total Wages & Salaries + £25,049
Sub Contract Labour + £6,008 (on food)
Cleaning + £8,314
Light, heat & Power + £25,121 (some missing from pr yr accounts)
Property repairs & Maintenance - £5,669
Premises Insurance + £5,958
Legal & Professional fees + £4,099
Accountancy & bookkeeping + £3,372
Charitable donations +£1,100

Cash Balance

At the year-end there was a total cash in hand balance of £129,231 with Creditor payments due totalling £156,789 (Prev £83,391) and a Holdings Ltd Debtors balance of £61,114 (prev £15,526) mainly the balance of the Inter Company Loan. There are always large variations in the cash flow throughout the year.

£10k has been paid off the BBILs balance, now standing at £28,238

There is an intercompany loan balance of £52,340 owed to Holdings by the Trading Company

Significant expenditure

£1,302 – repairs / A Frame for Lilibet
£3,558 - New boiler & install Middle floor
£1,325 – Kitchen extractor

Other non- standard expenditure

£3,850 – Refurb of outside space & signage
£1,260 - Stage for music
£11,834 - Refurb of 3 Toilets
£6,912 - Annual Outdoor seating licence

Bank Loans

The Club has also retained the £50,000 Bounce Back Loan (BBL) from NatWest, with monthly repayments of £887 from the operating income. The loan balance including interest at 2.5% was £28,238 at the end of the year. Whilst the option exists to pay back the BBL at any time, the decision was made to ensure we had sufficient cash available during a challenging time for hospitality businesses. £20,250 was loaned as start-up capital to Trading Ltd with the balance in the club's deposit account gaining interest to offset some of the loan interest.

Hospitality

Bar sales increased by £23k (+12%) in part due to passing on rising supplier costs but also entertainment events and a very successful Regatta. The Licence for outdoor seating is costly but key to growing hospitality revenue, and additional investment into the seating area.

Direct Staff costs (inc sub contract staff) were slightly lower than the previous year however proved unsustainable for the provision of Food despite the Sunday Carvery, which overall made a significant loss during the year. The cost of a Club Manager is necessary to build upon the

investment made so far and improve trading efficiencies and we now have an experienced and enthusiastic member in Wendy Beard.

Stock Management has continued to be a focus for this year with rising Supplier costs and being monitored with prices negotiated whenever possible to provide good value for members.

Other operating income

No additional rent income has been achieved although there are plans in place for that now and is needed to sustain the running costs of such a large property.

A new boiler was installed which makes the Middle Floor more usable in its current form and also needs to return more revenue.

Subscription income was steady at almost 70k. Despite a busy season and a big uptake by members combined additional income from Watersports & shower etc is down by 35% and donations down by 86%.

We had been able to retain the current Membership fee for the year but clearly not sustainable going forward and an increase has been planned.

Looking ahead to 2023-24

The key financial focus areas for the coming year are:

Negotiate better Energy prices with smart meters to achieve accurate running costs for Management Accounts reporting.

Hospitality –making the Club a more desirable place for members and Functions.

Rent – Middle Floor & Top floor – increased functions and room rental.

Paddlesports – rolling replacement of older kayak fleet.

Membership price increase unavoidable in order to be able to offer the excellent value watersports opportunities.

Kind regards

Nicki Hawkins
Treasurer