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Contact: Sam Danieli
sam@addca.com.au
Cathy Jin
cathy@addca.com.au

A D Danieli
Chartered Accountants

Level 1 261 George Street
Sydney NSW 2000

PO Box H88
Australia Square NSW 1215

Ph: (02) 9290 3099

ABN: 38 616 825 083

Email: add3@addca.com.au
Website: www.addca.com.au

23 October 2026

The Directors
Woollahra Sailing Club Limited
2 Vickery Ave
ROSE BAY NSW 2029

2027 FY Financial Report Summaries and next six-month forecast for Woollahra Sailing Club Ltd

1. Cash Summary Report Summary

The **Cash Summary Report** maintains a solid overall cash runway.

- **Liquidity Position:** The club's current October 2026 (as of 23rd Oct 2026) **total cash balance is $313k** (consisting of $63k in the Business Account and $250k in the Online Saver).
- **Monthly Cash Burn:** There was a **net cash outflow of -$22k** during October. Major cash inflows for October included Boat Storage Fees ($40k) and Schools Sailing ($36k). Outflows were heavily driven by operational expenses, led by Club Wages & Salaries ($31k) and consultancy fees ($5k).

2. Profit and Loss (P&L) Statement Summary

The **Profit & Loss Statement** reveals that the club is currently trading at a net deficit for the financial year to date, but October showed an operational recovery.

- **Year-to-Date (YTD) Performance:** The club is carrying a **YTD net loss of -$99k before depreciation**.
- **October Performance Factors:** October performance was stabilized by solid seasonal trading revenue from Boat Storage ($39k), Member Subscriptions ($20k), Sailing Lessons ($19k), and Hall Income ($13k).

3. Balance Sheet Summary

The **Balance Sheet** reflects a sound asset base with positive short-term solvency metrics, offset by long-term non-cash lease adjustments.

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- **Working Capital Position:** Short-term financial health is stable. **Total Current Assets stand at $512k** against **Total Current Liabilities of $444k**, yielding a **positive working capital buffer of $68k**.
- **Deferred Liability Impact:** The largest current liability is **Unearned Membership Fees ($370k)**. Because this represents membership revenue collected in advance rather than immediate cash debt, it softens the club's true immediate cash liability pressure.
- **Net Equity Framework:** Overall equity is strongly supported by $1,748k in accumulated Retained Earnings, easily absorbing the current year's YTD operating deficit.

Based on the year-to-date October 2026 financials, **Woollahra Sailing Club Ltd** currently has a cash runway of **14 months**.

This projection assumes that the club's recent net cash outflows continue at the exact same pace. However, because sailing clubs are highly seasonal, the structural runway is likely much stronger as you enter the busy spring and summer months

Cash Runway Breakdown

- **Total Available Cash: $313k**
    - *Business Account:* $63k
    - *Online Saver:* $250k
- **Average Monthly Cash Burn: -$22k**
    - *Note:* October's exact cash movement was used as the baseline burn rate.
- **Projected Runway:** 14 **months**
    - *Calculation:* $313k / $22k

The baseline 14-month projection excludes the **May 2027 storage and membership renewals**, which historically bring in an extra **$200k in cash receipts**. This means your true structural cash runway is significantly longer than 14 months

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Six-Month Revised Forecast Analysis (November 2026 – April 2027)

The revised forecast for the next six months shifts Woollahra Sailing Club Ltd into a **highly profitable operational window**, driven by peak spring and summer sailing activity. While the accounting bottom line shows a slight deficit after non-cash items, the club is structurally positioned to generate **substantial cash surpluses**.

Key Financial Health Metrics

Metric	Forecasted Figure	Key Driver
Total Trading Income	**$813,119.00**	Dominated by Boat Storage ($227.5k), Member Subscriptions ($115k), and peak Sailing/Schools programs ($200k).
Gross Profit Margin	**44.4%**	Totaling **$361,004.14** after accounting for direct direct wages, instructors, and on-water costs.
Net Operational Profit	**+$73,612.14**	The club is highly viable on a pure day-to-day trading basis before accounting metrics.
Accounting Net Profit	**-$13,592.86**	The final metric falls into a minor deficit solely due to **$87,080.00 in non-cash Depreciation**.

Cash Flow Impact & Runway Expansion

From a liquidity perspective, this forecast is exceptionally strong.

- **Projected Cash Surplus:** Adding back depreciation means your trading activity is forecasted to generate roughly **+$73,487.14 in net cash inflows** over the next six months (averaging **+$12,247.86 per month**).
- **Runway Trajectory:** This completely reverses your previous baseline cash burn of -$22,000.00 per month. Your current **$313,246.96 cash balance will accumulate** rather than contract, expanding your runway well past the original 14-month safety margin.

Core Risk Factors to Monitor

While the top-line numbers are strong, hitting this forecast depends on keeping volatile operational lines strictly aligned with budget:

- **Wages & Consultancy Caps:** Combined wages, superannuation, and consultancy fees account for **$425,514.86** (or **52.3% of total income**). Any overruns in performance coaching or sailing school staffing numbers will quickly erode the operational surplus.

- **Power Boat R&M:** The initial year budget allocates **$50,000 to Power Boat Repairs & Maintenance**. The club spent **$62,077.48 on power boats** in the prior half of the year.
- **Marketing Execution:** Shifting to summer requires hitting $50k in Holiday Camps and $100k in Sailing Lessons. The club has budgeted **$9,998.00 for Advertising and Marketing** to actively capture this seasonal demand.

Consequently, there are reasonable grounds to conclude that Woollahra Sailing Club Ltd can comfortably meet its current and future financial obligations as they fall due.

Yours sincerely,
A D Danieli

Sam Danieli

Sam Danieli
Director