

During the financial year ending JUN2003 the partnership made an accounting loss of \$12971.35, although this should be balanced against the fact that both partners received more than this amount in wages over the course of the year. In real terms, both partners made a profit on their involvement with RGDANCE and in addition they are able to count their half of the partnership's loss against their own personal income tax liability.

Based on current estimates, that is prior to the start of the new timetable, the predicted accounts for the upcoming financial year ending JUN2004 will run as follows. The figures which have been set out are only those which contribute directly to the profit / loss of RGDANCE. Things such as costumes, uniforms and exam fees which effectively just break even (the income and expense balancing each other out) have not been included.

INCOME: \$84000 TOTAL

- CLASS TEACHING \$7000 / month \$84000 / year
(this includes regular classes and private lessons at Five Dock only)

EXPENSES: \$104080 TOTAL

- WAGES \$5490 / month \$65880 / year
(estimate based on current hours, with Grant and Rebecca each taking \$300 / week in wages)
- SUPERANNUATION \$500 / month \$6000 / year
- HALL HIRE \$1500 / month \$18000 / year
(this is an average figure – hall hire is about \$2950 for those months including a full quota of classes)
- INSURANCE One off payment \$2000 / year
- MUSIC Irregular expense \$2000 / year
(this has been included because we don't currently charge anything to make back these costs, as we do for costumes and uniforms)
- ADVERTISING \$450 / month \$5400 / year
(this includes \$150 for Yellow Pages and \$300 for the newspaper)
- INCIDENTALS \$400 / month \$4800 / year
(this covers things like office supplies, company dinners, props and other things which come up over the course of a month)

ACCOUNTS BALANCE: [\$20080 LOSS]

This accounting loss should once more be balanced against the fact that each partner would be taking \$14400 in regular wages over the course of the year, so both partners will again have made a profit on their involvement with RGDANCE. By way of comparison, if each partner took only \$200 / week (\$9600 over the year) then the company would break even on the accounts. Conversely, if each partner were to receive \$400 / week (\$19200 over the year) then the company would make a \$40000 loss on current figures. Even with wages of \$300 / week it is essential that the partnership increases its income and cuts back on its expenses if RGDANCE is to run effectively.

The following have been suggested as ways of improving RGDANCE's financial situation:

- Increase the "unlimited" fee from \$65 / week to \$70 / week. The unlimited fee is currently too low to cover teaching costs, especially with the addition of extra classes to the timetable.
- Increase the private lesson fee from \$15 / half hour to \$20 / half hour. While this will still have us taking a loss of about \$2.50 on each half hour lesson it will make things more sustainable.
- Costume and uniform fees need to cover their costs. Currently the prices being charged to us by the dressmaker make it difficult to pass on to the parents and in addition fees are not always being collected. We need to find ways of bringing down costumes costs and making sure that parents are charged a minimum of what it costs us to have the costumes made.
- Cut back advertising to a maximum of one \$300 advertisement in the local paper each month. Consideration should be given to whether this is the best way to advertise the dance school.
- Vocal backing tapes and music need to cover their production costs. We need to consider whether it would be better to produce music in house or through a different supplier. Vocalists need to be charged some of the costs of backing tapes as they would pay for costumes.
- Eisteddfod entry fees need to be passed on to soloists and troupe members in the same way as they have to pay their examination fees.
- Regular class costs for students not paying the unlimited rate need to be raised as well. The burden of covering our costs should not fall exclusively on the shoulders of those parents who as well as paying for unlimited classes need to find money for private lessons and other performance related costs.

In addition it has been suggested that fees be described as being charged for the term rather than for the week. Thus parents would pay for their child to be enrolled in each individual class for that term, or else they would pay the unlimited rate for that term. Term fees would be the same regardless of the number of weeks in that term,

calculated perhaps on an average 10 week term. 50% of fees would be due by week 3 of term and a "please explain" meeting held or letter sent to parent who were still overdue in week 4. If fees still hadn't been paid without good cause by week 5 then students would be taken out of classes until they were financial. The second half of their fees would then be due by week 7, a "please explain" conducted with those overdue in week 8 and then students removed from classes if still unfinancial by week 10. Obviously there is some room to move if there are genuine financial difficulties involved rather than parents just having better things to do with their money than pay fees due to us. (Under this system students who join part way through a term would be charged a reduced rate for that term and students who change classes would receive a credit or revised account as the case may be.)

A meeting needs to be held to define the roles of the various stakeholders in RGDANCE. Most particularly this relates to what Grant and Rebecca should be doing, both within and outside the studio, but expectations of what Susan should or should not be doing also need to be resolved. Prior to this meeting each of us individually needs to make a list of what they see as needing to be done in the running of the RGDANCE as well as indicating who it is that they see as best being able to fulfill that role. That list would then be forwarded to John who would put together the lists and bring a compilation of people's suggestions along to the meeting for discussion. At the meeting we could then sit down and look at what needs to be done, who should be doing what and where RGDANCE can best go from here.

REVISED TUITION FEES (GST INCLUSIVE)

Regular Classes:

- 30 min class - \$9.00
- 45 min class - \$11.00
- 60 min class - \$15.00

Private Lessons:

- 30 min lesson - \$15.00 (by selection only)

Unlimited Class Rate:

- \$70.00 per week (not including private lessons)

Please Note:

- All fees are payable in advance on a monthly basis.
- Fees are due for all classes to which you are enrolled, whether you attend class or not.
- Payment may be made by cash, cheque or money order made out to RGDANCE. If paying by cash please supply the fees in a sealed, clearly marked envelope.
- Mrs Davies will be available to collect fees on a Saturday morning.

Should you have any further questions please feel free to speak to Mrs Davies or else contact Grant or Rebecca.

RGDANCE

Dance Studio Sydney

Tuition Fees August 2003

Per class

GROUP LESSONS (gst inclusive)

30 min class- \$9.00
45 min class- \$11.00
60 min class- \$15.00

PRIVATE LESSONS

30 min- \$15.00

UNLIMITED CLASSES (not including private lessons)

\$70

Fees are payable in advance on a monthly basis.
Fees are due for all classes to which you are enrolled whether or not you attend.
Payment may be made by cash, cheque or money order endorsed to RGDANCE.
If paying by cash please put the correct money in a clearly marked envelope and hand to Mrs Davies.
Fees can be paid to Mrs Davies at the front desk on a Saturday morning.
Any questions or queries please feel free to talk to Mrs Davies or contact Grant or Rebecca.

RGDANCE

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REDACTED

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