

RC(O)_Hulls

20 Mar 18

Distribution: Main Committee Trustees

HULLS ASSESSMENT PAPER – “IPB” OF CURRENT YACHT HOLDINGS AND USAGE

Introduction

1. Offshore currently holds four hulls: J-109 (*Trojan*), an X-322 (*Ilex*), a Dehler 32 (*Right Royal*) and a Norfolk Smuggler (*Hebe*). The REYC 12 year budget plan has a decision point in 2019 for the purchase of a new hull in 2020.

Aim

2. The aim of this paper is to present the usage rate of each yacht set against its annual cost as well as the type of usage. This will allow the main committee to identify which of the hulls is good value for money and best meets the mission statement of the Club. This will inform the decision as to which, if any, hulls should be disposed of and what should be bought as a replacement.

Summary of findings

3. The following observations have been extracted from statistics at Annex A (more detailed observations from each hull are at Annex B). NB All hulls have seen an increase in usage between 2015 and 2017.

- a. *Trojan* is the best “value” hull¹, is the most popular hull and is sailed by all ranks. She usually runs at a slight loss due to the regular replacement of racing sails.
- b. *Ilex* is the second best value hull, the most popular for AT, is predominantly sailed by senior officers² and usually breaks even. She is the third most valuable hull is sold despite a recent refit.
- c. *Right Royal* is the third best value hull, is mostly used for charter and is mainly sailed by civilians and senior officers. She used to run at a profit but is likely to start running at a slight loss. She is the second most valuable hull if sold and is the next hull due a refit.
- d. *Hebe* represents the worst value for money, is only used for charters by mainly civilians and has run at a loss since her arrival in the Club.

Summary

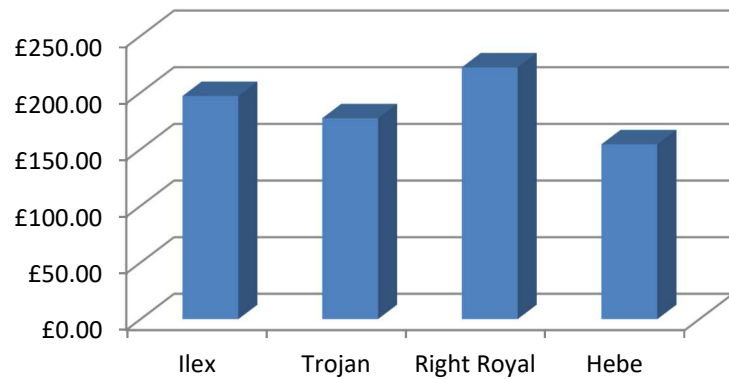
4. This paper will inform the main committee as to which hull(s) should be kept and which sold. This decision will need to be made by the start of the 2018 sailing season in order that research of a replacement hull (if required) can take place to inform AGM 19.

S J HART
Major
Rear Commodore (Offshore)
Royal Engineer Yacht Club

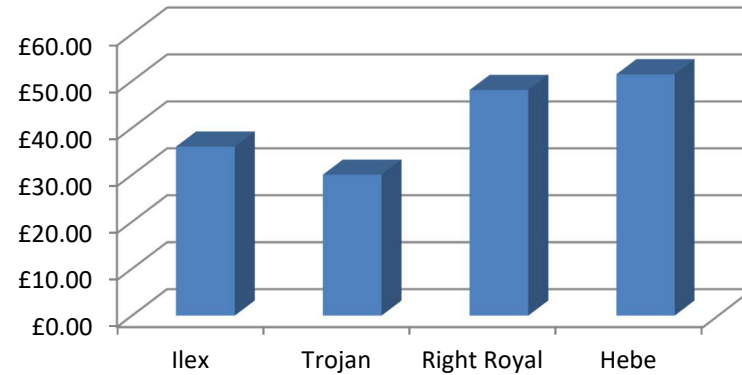
¹ Cheapest hull per person per day sailed (total cost of hull / by number of person sailing days [length of charter X number of crew]).

² Major and above.

STATISTICS – COST OF EACH HULL PER DAY AND AVERAGE NUMBER OF CREW



Cost of each yacht per day sailed (total annual cost / total days sailed)

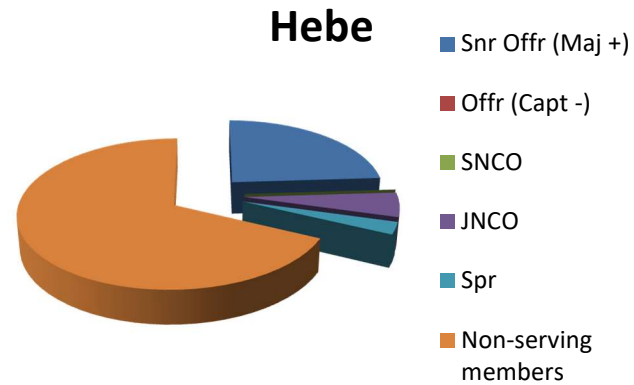
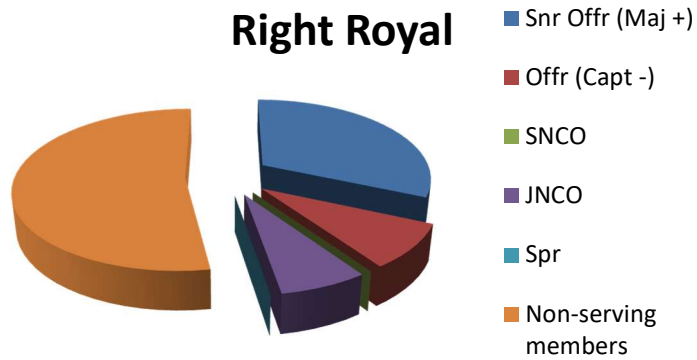
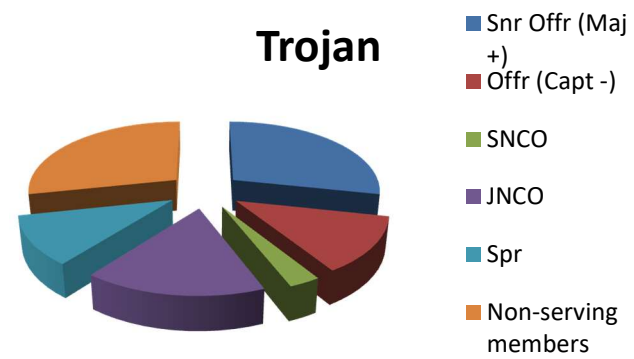
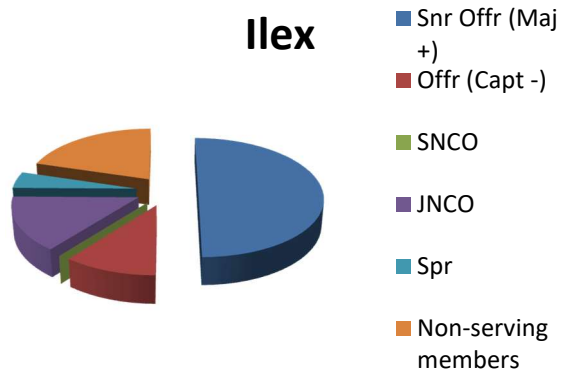


Cost of each hull *per person* per day sailed (total annual cost / annual person sailing days).

Ilex	5.5
Trojan	6
Right Royal	4.6
Hebe	3

Average number of crew

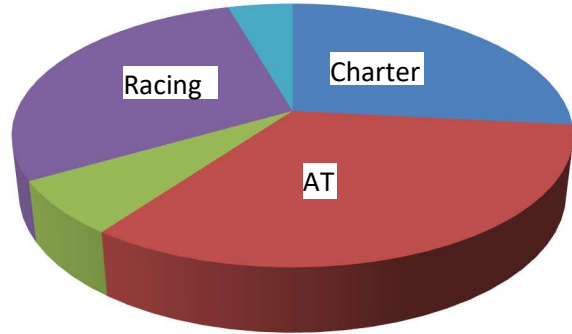
STATISTICS - RANK OF MILITARY INDIVIDUALS SAILING & DAYS CHARTERED PER BOAT



	Snr Offr (Maj +)	Offr (Capt -)	SNCO	JNCO	Spr	Non-serving members	Total Days
Ilex	123	26	0	36	11	50	246
Trojan	87	39	9	51	34	87	307
Right Royal	54	15	0	12	0	90	171
Hebe	18	0	0	4	2	51	75
Total	282	80	9	103	47	278	799

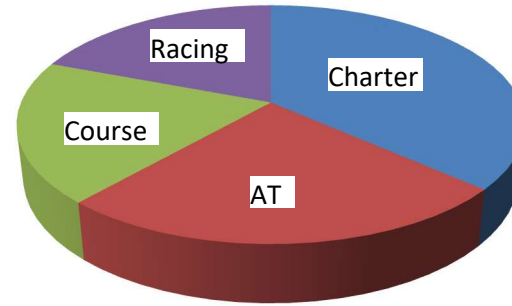
STATISTICS TYPE OF SAILING

Ilex



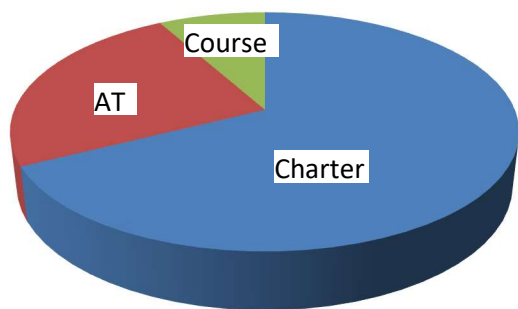
- Charter
- AT
- Course/Quals
- Racing
- Bosun trg

Trojan



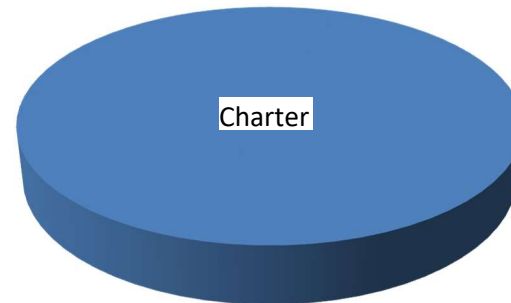
- Charter
- AT
- Course/Quals
- Racing
- Bosun trg

Right Royal



- Charter
- AT
- Course/Quals
- Racing
- Bosun trg

Hebe



- Charter
- AT
- Course/Quals
- Racing
- Bosun trg

STATISTICS - OPERATING COSTS

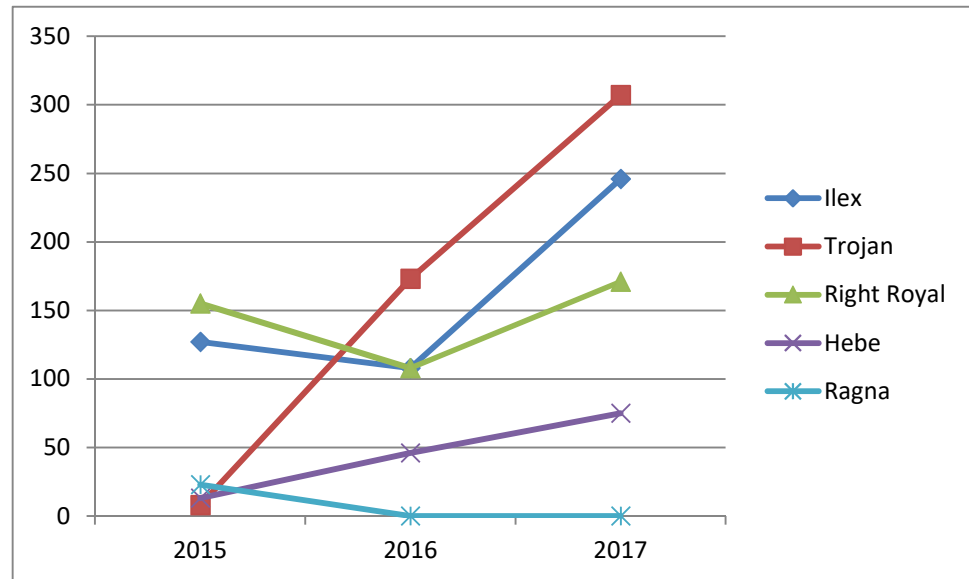
The figures below are a projection of future hulls costs based on previous years' expenditure. They are approximate and are an average of the 12 Year Plan, SOFA and Offshore 5 Year forecast.

Yacht	Routine				Planned		Total annual cost	Grant from Main	Grant from external body	Estimated charter income	Total annual income	Surplus/ Deficit
	Insurance	Lift outs	Safety and inspections	Misc overheads	Maintenance	Planned refit/capital cost						
Ilex	£529.50	£216.00	£1,127.00	£515.00	£655.00	£5,750.00	£8,792.50	£2,000.00		£6,500.00	£8,500.00	-£292.50
Trojan	£761.43	£456.00	£1,127.00	£515.00	£655.00	£5,668.00	£9,182.43	£2,000.00		£7,500.00	£9,500.00	£317.57
Right Royal	£732.91	£216.00	£1,127.00	£515.00	£655.00	£5,110.00	£8,355.91	£2,000.00		£5,500.00	£7,500.00	-£855.91
Hebe	£366.21	£216.00	£177.00	£515.00	£300.00	£2,350.00	£3,924.21	£2,000.00		£2,000.00	£3,000.00	-£924.21
Total	£2,390.05	£1,104.00	£3,558.00	£2,060.00	£2,265.00	£18,878.00	£30,255.05	£8,000.00	£4,500.00	£21,500.00	£34,000.00	£3,744.95

BOAT USAGE TRENDS

All yachts have seen an increase in charter rate between 2015 and 2017.

	2015	2016	2017
Ilex	127	108	246
Trojan	8	173	307
Right Royal	155	108	171
Hebe	13	46	75
Ragna	23	0	0



OBSERVATIONS FOR EACH HULL (BASED ON STATISTICS IN ANNEX A)

Trojan

- Trojan is the most popular hull
- She is used mainly for charters but also for AT, courses and racing
- She is the most valuable hull if sold (£75,700)
- She is the second cheapest hull per day sailed
- She is the cheapest hull per person per day sailed and has on average a crew of 6
- She is sailed by all ranks, notably senior officers, JNCOs and civilians, with a reasonable proportion of junior officers and sappers.
- She has the most even spread of ranks
- She will usually run at a loss due to the regular replacement of sails for racing; the next big outlay is 2020 (usually every 3 years).

Ilex

- Ilex is the second most popular hull
- She is the most popular yacht for AT and also is popular with charters
- She is the third most valuable hull if sold
- She is the second cheapest hull per person per day sailed and has on average a crew of 5.5
- She is predominantly sailed by senior officers (50%)
- She has recently had a major refit
- Ilex will usually break even

Right Royal

- Right Royal is the third most popular hull
- She is mostly used for charter (68%) and very rarely for racing
- She is the second most valuable hull if sold (£62,440)
- She is the most expensive hull per day sailed and second most expensive per person per day
- She is crewed by an average of 4.6
- She is mainly sailed by civilians (47%) and senior officers (32%)
- She used to run at a profit, but since the arrival of Trojan, her income has dropped and she is likely to start running at a slight deficit

Hebe

- Hebe is in her second season and is the least popular hull
- She is only used for charters
- She is the least valuable if sold
- She is the cheapest hull per day sailed but most expensive per person per day
- She is crewed by an average of 3
- She is mainly sailed by civilians (63%) and senior officers (24%)
- Hebe has run at a loss since her arrival; she is cheap to run but to break even her charters need to increase