



# MORNINGTON YACHT CLUB

## 2017

### 71<sup>st</sup> ANNUAL REPORT



ABN 44 004 625 414

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

# Contents

INFORMATION FACT SHEET	2
COMMODORE'S REPORT	4
REAR COMMODORE'S REPORT	6
TREASURER'S REPORT	8
GENERAL MANAGER'S REPORT	10
GENERAL COMMITTEE	12
PROFIT & LOSS REPORT	14
AUDITOR'S REPORT	



# Mornington Yacht Club

## 2016 – 2017

### FLAG OFFICERS

#### Commodore

Sheryl Schumacher

#### Vice Commodore

Chris Jackson

#### Rear Commodore

David Eickmeyer

#### Club Captain

Reece James

### GENERAL COMMITTEE

**Hon. Treasurer** Jon Phillips

**Hon. Solicitor** Simon Purcell

Keith Bayliss

Ross Ferguson

Bret Levenspiel

Keith Ross (until Dec 2016)

Greg Sharman (until Jan 2017)

Sarah Sharman

Andrew Weber

### SUBCOMMITTEES

#### FINANCE COMMITTEE

**Chair** Jon Phillips

John Best

Stuart Gooley

Bret Levenspiel

Simon Purcell

Michael White

#### SAILING COMMITTEE

**Chair** David Eickmeyer

Bill Bennett

Stephen Bardsley

Matthew Hazewinkle

Reece James

Cameron McKenzie

Tim O'Grady

Ian Robertson

Andrew Weber

#### SAILABILITY

**Chair** Graeme Lyell

**Co-ordinator** Noel Heyes

#### Volunteers

Arter, Mary

Bailey, Krista

Brandhoff, Gail

Batten, David

Cheon, Se-Jin

Constable, John

Daddo, Mick

Donnoli, Silvana

Ellis, Keith

Featherstone, Phil

Fergus, Molly

Fraser, Brian

Ghattas, Mary

Gould, Ian

Grant, Jasmine

Guest, Terry

Hannah, John

Hatcher, David

Heyes, Noel

Hull, Andrew

James, Len

Jones, Andrew

Jukes, Brian

Karam, Joe

Karay, Peter

Lauricella, Mark

Lewis, Cherie

Lyddy, Steve

Lyell, Graeme

McGann, Des

Minton, Norm

National Australia Bank, Mornington

Owen, John

Park, Wendy

Randle, Dorothy

Randle, John

Richardson, Mark

Ritchie, Harvey

Sayers, Paul

Shields, Dorothy

Smalley, Eric

Tanner, Elizabeth

Turnbull, Sean

Uhe, Bill

Vertigan, Graeme

Vertigan, Tonia

Wilson, Neil

#### RACE OFFICERS

Graeme Alexander

Stephen Bardsley

David Beeson

Stephen Bolton

Tim Donaldson

Chris Jackson

Tanya Lawton

Roger McGaw

John Mills

Trevor Neate

John Randle

Sheila Young

Peter Susovich

#### RACE CREW

As above plus

Rob Comb

Brodie Goozee

Krystine Johnston

Colin Martin

Barbara Nash

Julia O'Callaghan

John Randle

Sue Redman

#### SOCIAL COMMITTEE

**Chair** Ross Ferguson

Kerry Larder

Denise George

Richard George

Pam Heyes

Pam Lane

Di Lynch

Sheryl Schumacher

#### FOUNDATION

**Chair** Stuart Gooley

Ray Harvey

Noel Heyes

Bret Levenspiel

#### MARKETING

**Chair** Sarah Sharman

Euan Campbell

John Guest

Majbritt Kring

John Ross

#### CLUB PHOTOGRAPHERS

Sonja Dowdle, Mark Lauricella

## MOORINGS

Tim Melville  
Trevor Neate  
Graeme Taylor

## WEBMASTER

Stephen Bolton

## 2016 CLUB MEMBER OF THE YEAR

Jan Alexander  
Ken Bilham  
David Campbell  
Ray Harvey  
Di Lynch  
John Lynch  
Barbara Nash

## JUNIOR CLUB CAPTAINS

Ella Sharman  
Alex Ferguson

## 2016 CLUB CHAMPIONS

**Div.1** Seduction-Richard Nichols  
**Div.2** Arabelle- G & C.Hailes & Bret Levenspiel  
**Div.3** Dark Side of the Moon Stephen Bolton  
**Flying Fifteen** Under the Pump-Joseph Etherson  
**Etchells** Easy Rider – Reece James  
**Opti Open** Lucky Buoy – Lachlan Weber  
**Opti Green** Sonic Dash – Jay James  
**OTB's** LOL – Sophie Jackson & Ella Sharman

## 2017 CLUB CHAMPIONS

**Div.1** Windsong-Jim Watson  
**Div.2** Arabelle- G & C.Hailes & Bret Levenspiel  
**Div.3** Dark Side of the Moon Stephen Bolton  
**Flying Fifteen** Under the Pump-Joseph Etherson  
**Etchells** Quantum Leap – Chris Jackson  
**Opti Open** The Force – William McKenzie  
**Opti Green** Speedy Lego – Digby Taylor  
**OTB's** Nautigals – Kate James and Imogen Weber

## STATE, NATIONAL & INTERNATIONAL CHAMPIONS

**Rhett Gowans** - National Laser Radial.  
**Corey Riley** - National Laser 4.7

**Graeme Taylor, Magpie** – National Etchells Class

**Sophie McKenzie** – Vic Youth Girls Optimist

**Matilda & Lily Richardson** – State 420 U116

**Stephanie Lee & Alex Ferguson** – State 420 class mixed

**Sophie Jackson** – Vic Youth Champs 420 class

**Mitch Bayliss** - Vic Trailable Champ

## ADMINISTRATION

### General Manager

Rod Austin

### Office Manager

Sarah Grant

### Sailing & Training Manager

Michelle Pickford

### Accounts

Michelle Levenspiel

### Accountant

Fortuyn Accounting Solutions  
Smart Business Solutions

## HONORARY LIFE MEMBERS

Mr C. Marshall  
Mr & Mrs J. Berry  
Mr K.G. Bilham  
Mr & Mrs A.B. Cowle  
Lt. Col. & Mrs A.H. Dixon  
Mrs M.E. Dixon  
Mr & Mrs M.G. Rodd  
Dr & Mrs G.W. Sutcliffe  
Mr & Mrs R.P. Morris  
Mr & Mrs R. Sandiford  
Mr & Mrs H. Pettitt  
Mr & Mrs G.O. Petschack  
Dr & Mrs N.F. Crockford  
Mr E. Ashton  
Mr & Mrs G.G. Jones  
Mr & Mrs A.G. Neate  
Dr & Mrs A. Schwieger  
Mr K. Willey  
Mr A. Whitbourne  
Mr J. Hall  
Mr J. Jackson  
Mr D. Jones  
Mr K. Ross  
Mr T. Neate  
Mr & Mrs R. Armstrong

Mr & Mrs J. Lynch  
Mr D. Woods  
Mr T. Dixon  
Dr S. Bardsley  
Mr J. Mills  
Mr S. Gooley

## 50 YEAR MEMBERS

Peter Ackland – 1958  
Michael Ackland – 1950  
Robert Barr – 1955  
Ken Bilham – 1948  
Inez Berry – 1956  
John Berry - 1946  
Martin Bryan – 1965  
Rod Davies – 1962  
Tim Dixon – 1964  
Stuart Gooley – 1958  
Ray Harvey – 1965  
Diana Lynch – 1958  
John Lynch - 1966  
John Mc Bride – 1963  
Patricia McBride-Leben – 1960  
Rowland Morris - 1962  
Trevor Neate - 1965  
Nan Rodd – 1959  
Andrew Whitbourne - 1958

## MEMBERSHIP

2014: 704  
2015: 749  
2016: 740  
2017: 857

## MAJOR SPONSORS

AUDI Mornington  
Harcourts Mornington  
Smart Business Solutions

## RACE SPONSORS

Gazman  
Marshalls & Dent Lawyers  
Peninsula Travel  
Scotchmans Hill  
Sentry Storage  
Somercare Aged Care  
Steadfast IBG Insurance brokers  
The Good Guys Mornington  
The Rocks Mornington  
Wes Frost Marine



# Commodore's Report



*“The past year continued to be one of future proofing the club, honouring our heritage and remaining friendly and welcoming to all. We have now been enjoying sailing at Mornington for 71 years”*

The last year has been one of managing change. The General Committee and sub committees are strong and diverse in skills and experience. Together with our CEO 'Rod Austin' we have navigated through some critical milestones that required nothing less than professional attention. Some of those milestones are:

- A new lease with Mornington Peninsula Shire Council
- A new lease with The Rocks restaurant
- The consolidation and refinancing of our loans with a commitment to be debt free in 6 years or less
- Construction of Back Deck/BBQ area
- First ever VicSwim/Tackers combined course in Australia
- Establishment of the Foundation

The financial management of the Club remains cautious and focused, with a small surplus in 2016/2017 and improving projected surpluses in the years to come.

We also measure success through membership numbers and sponsorship. Both have significantly increased in the last year. As we move forward over the coming years our aim is to leverage our prime location and strengthen our financial position by:

- Developing our facilities as our budget allows
- Adding value and retaining members
- Building the membership base to 1000

We have a strategic plan in place and when I took on this role my commitment was to follow through with the plan. With our future committees focused on this we will see Mornington Yacht Club at the end of the next 6 years in a really secure position.

We need to maintain our diversity of sailing experiences from large to small boats, from competitive sailing to social sailing and Sailability.

This last season we saw the sad passing of two of our valued members Keith Ross and Jenny Martin. They continued to volunteer at the club right up to the very end. They will always be in our thoughts.

I am pleased to report that the Club is heading in the right direction and we need to continue to pull together to make MYC a thriving and lively part of the Mornington waterfront. This could not happen without the huge amount of work by

our Volunteers “on water” and “off water”, Sub committees and in particular the General Committee. We would also not function without our office and training staff. Thank You all for your support over the last year.

See you at our great club.



Sheryl Schumacher  
Commodore



*Above photo: Richard Nicholls and Keith Ross*



*Above photo: Gary Wood, Andy Whitbourne and Jenny Martin*



# Rear Commodore's Report



***“It is the large number of Club Member volunteers that provide their time and talents who keep all our programs running and enable such a full schedule of racing and events. Their contributions are deeply appreciated.”***

Sailing over the last year has been running well and has had good sailing activity at all levels. All Divisions and classes have continued to be active and participation has increased, in particular on Thursday twilights.

An impressive fact is that the Club has nominated members in three of the most prestigious categories in the Yachting Victoria awards being Male, Female and Youth Sailors of the Year. Congratulations to Sophie Cizek, 2016 Victorian Female Sailor of the Year, Graeme Taylor, Australian Etchells Champion and Rhett Gowans, Australian Laser Radial Champion in 2017. We had two boats carrying MYC on their sterns in the 2016 Sydney to Hobart and a number of members on various boats in that race. We had active keelboat females sailing at various regattas around the bay.

Many of our Trailables traveled to other clubs for regattas including the Easter regatta at Painesville and Trailable State titles, other competed in Geelong to Queenscliff, Marley Point and 4 Points races supporting the MYC to name a few.

The Youth Sailing division runs as two different operations. The “learn to sail” operation runs structured courses as an accredited Yachting Australia Training Centre and our Opti, Bic and OTB Squads on Friday nights and Sundays

The past year has again demonstrated the development of our junior sailors with a number of our Optimist and International 420 squad being part of the VIC Sailing Team. Mornington crews competed in Queensland, NSW, Victoria, South Australia and even New Zealand. They are also heading to China, Western Australia and Queensland over the next 6months

One MYC 420 crew (Nick Sharman and James Grogan) travelled to New Zealand to compete in the World Youth Championship and one MYC 420 crew (Sophie Jackson and Ella Sharman) went to Italy for the World 420 Championships.

The Victorian Youth High Performance Programs are now operated out of MYC along with only Brighton which is wonderful for our youth and an acknowledgement of our contribution to the sport beyond just MYC.

The Junior Tackers program is developing further and the Club is continuing work with a number of schools as part of their sports development. This year we saw the entire Cranbourne West and Red Hill Consolidated Primary schools giving sailing a go. We are looking forward to further growth in this area, particularly for primary schools.

We are always limited by funds but in the past 12 months we managed to acquire a new Rib proudly named "Keithy."

The Sailing and Administration team are currently working on streamlining online sailing transactions such as regatta entry, safety, insurance and other declarations, crew matching and day passes, so that these can be completed on-line, in order to reduce the amount of manual labour still being done by the Sailing Office on these tasks.

The new focus for the Sailing Sub Committee is on looking forward to establishing the calendar for next year. Upcoming regattas include the 2018 Flying Fifteen Australian Championship and The Schnapper Point regatta, which is set to incorporate the Victorian Junior Sailing Carnival next season.

The Sailing Committee are also endeavoring to improve our online processes to enable the MYC office better support and efficiency in administering our sailing activities.

As the season approaches for next year, we also plan to offer a range of training activities to develop the skills of new and existing volunteers. Training includes first aid, race management, and safety boat operation and so on.

I would like to thank in particular the Junior Club captains Ella Sharman and Alex Ferguson who have been true ambassadors of the Club and have been instrumental in making Friday Fun such a success this year.

We could not have run our events on Saturdays without the fantastic work of our on water race crew – John Mills and Tanya Lawton and the race administration of Stephen Bardsley and his Tower and results team.

Special thanks also to Club Captain Reece James for his ongoing support in running competent race management on Sundays along with many supporters (including results), who are far too many to name but thank you all.

Class Captains; Thanks to all and to those that contributed their time and efforts this season and their ongoing support in trying to grow fleets.

In advance I would like to thank those that are rostered on for Saturday Race Crew, I know you will make huge effort be there to help.

To all that have contributed to our sailing season a big thank you from all at MYC.



**Dave Eickmeyer**  
Rear Commodore



# Treasurer's Report



This Treasurers report focuses on the financial affairs of the Club for the year ended 31 March 2017.

## Overview

The club achieved a surplus of \$27,333 compared to last years of \$46,853. This small reduction is due to higher depreciation charges resulting from the capital works and purchase of the new RIB "Keithy".

The Income Statement shows the total revenue and summary of the major expenses. The revenue of \$798,210 compares favourably with the previous year of \$778,762.

## OPERATING AREAS

The financial performance of the club is monitored by operating area, below is a brief discussion of each of these portfolios.

### SAILING

The sailing expenditure budget is set at approximately double the revenue budget. The result was better than budgeted mainly due to lower actual expenditure than budgeted. Thanks to David Eickmeyer and the Sailing Committee for controlling those expenses.

### ADMINISTRATION

Administration includes membership fees and expenditure not attributed to the other operating areas. Total administration revenue was \$270,326 compared to \$242,324 in 2016 and was \$34,974 higher than budgeted. Membership numbers increased from 739 at the start of the year to 857 by year end. The main administration expenses are labour related costs not directly attributed to any other operating areas are 23% of total revenue which is comparable to other professionally run yacht clubs. It is worth noting that based on average membership numbers (798 for last year) the labour cost of administration is \$229 per member.

### TRAINING OPERATIONS

This area relates to the Mornington sail Training programs. The income was a little below budget and so too was expenditure, resulting in a net unfavourable variance \$5,000 against budget for the year. We are very grateful to our Training and Development Manager, Michelle Pickford and her team of instructors, for being a crucial part of introducing new members to the club. We are currently implementing strategies to improve this portfolios financial performance for the coming year.

### CLUBHOUSE FACILITIES.

The contribution to club house facilities is primarily due to The Rocks. The results were higher this year in terms of additional revenue from rental increases as a result of renegotiating a new lease. Special thanks must go to Simon Purcell, our Honourary Solicitor, who provided his professional expertise as well as that of his paid staff in negotiating an excellent outcome for MYC. This has resulted in a 30% increase in rental revenue over the next three years.

YARD AND SLIPWAY

This area includes the yard, moorings and slipway. Despite a \$12,272 increase in revenue, there was an 8% decline in the surplus this year due to significant increases in expenses for tractor repairs, yard repairs and mooring works. Regardless, we still enjoyed a net surplus of \$88,469 in this area. A big thank you to the Thursday Action Group and Richard McDonald from Mornington Marine for their enormous amount of volunteer work in this area.

BUDGET 2017-2018

We have developed a robust budgeting system that is well scrutinised by the Finance and General Committees and I am pleased to announce that the budget is projecting a net surplus of \$156,000 on an accruals basis, with a projected cash balance of \$76,000. The capital expenditure budget is less ambitious this year (\$76,000) and will focus on upgrades to: outboard motors; jetty; crane; and the function room.

ACKNOWLEDGEMENTS]

As Treasurer, I chair the Finance Sub Committee consisting of Bret Levenspiel, Simon Purcell and Stuart Gooley, Michael White and John Best. The CEO Rod Austin also makes a valuable contribution to this committee and also prepares the monthly minutes. I wish to thank all committee members and Rod for their valuable contribution and responsible financial administration of the club. We are also thankful for the good work of Sarah Grant, and Michelle Levenspiel in the MYC office. I would also like to acknowledge Lyn Fortuyn of Fortuyn Accounting Solutions for once again donating her time and expertise to prepare the clubs quarterly BAS statements. Similarly I would like to thank our major Club Sponsor Smart Business Solutions in reviewing the End of Year Accounts on a pro-bono basis which saves MYC \$7,500 in review fees



**Jon Phillips**  
Treasurer



# General Manager's (CEO) Report



Mornington Yacht Club is fortunate to have a well-balanced and committed Committee and sub committees to ensure that members can enjoy their club and for the club to continue prosper.

The club is also very fortunate to have such great personnel in the office. The team of Sarah Grant, Michelle Levenspiel remain committed to providing a high level of member service. A special thank you to our cleaner Graham Leeson who goes beyond his normal duties as he too loves the club.

The club could not get anyone better than Michelle Pickford to manage the club's accredited Discover Sailing Centre. It is important the club continue's to invest in Training as it is proven to be the major contributor of getting people into sailing. Michelle has had a wonderful year with an increase in the number of participants. Thank you also to the many instructors that have assisted Michelle throughout the season.

The club is relatively small but huge on so many activities and one of, if not the most active, is the Sailability team. The service offered to those that normally would never have the chance to go sailing on Wednesdays, Fridays and Sundays is amazing. The team of dedicated volunteers led by Graeme Lyell and Noel Heyes is absolutely amazing. Having managed Sailability at The Boatshed at Albert Park for 3 years the program offered at Mornington is by far the leading model in Victoria.

The club does not have a big marketing budget to spend and so it is amazing what can be achieved with little funds. The Marketing subcommittee led by Sarah Sharman should be commended for meeting their 3 goals of increasing membership, sponsorship and engaging with the community.

The 2017 Business Lunch would have to be the social highlight of the year for all those that attended. I cannot forget also the Opening and Closing Italian and Irish themed parties and the Social Committee led by Kerry Larder and Di Lynch was wonderful. Thank you to Taryn James for all her incredible volunteer work decorating and theme styling at all our Social events. Mornington BBQ on Thursdays and the Sausage Sizzle on Saturdays is still the best volunteer kiosk of any club thanks to Pam Lane, Pam Heyes, Kerry Larder and many others.





It has been a pleasure working with Alan Clark and Yard Committee and Bob Armstrong and the Thursday "TAG" team who have stepped up and managed the yard so efficiently since the sad passing away of Keith Ross.

The Rocks are working hard with our membership to continuously improve the offering and service levels and it is one of the most difficult of all to operate at a club and to satisfy all members. I sincerely believe the MYC members are fortunate to have service offered every day of the week with coffee, breakfast, lunch and dinner. No other Yacht club in Victoria offers such a service. On top of that The Rocks has won again the top seafood restaurant in Victoria and Tasmania in 2016. Again no other Victorian Club affiliated with an out sourced contractor has received such a distinguished award. I would like to thanks Rob and Lisa De Santis for their contribution to the club.

My role is for the benefit of members and so slowly but surely we will have more systems in place to ensure cub members are not disadvantaged by those that are not members but sailing or using the club facilities. The day pass system is one such system but still needs tweaking.

I would like to thank the members but especially our dedicated Commodore Sheryl Schumacher and the General Committee for their commitment and support.



**Rod Austin**  
CEO



*Above Photos: Business Lunch with Guest speaker Mal Hart, Hart Marine*



# General Committee

<b>SHERYL SCHUMACHER</b>		<b>COMMODORE AND CHAIR</b>	
<b>Qualifications</b>		Small Business Director, Professional Management Fitness Centres	
<b>Experience</b>		Personal Training & Fitness Leader, Grounds Management	
<b>CHRIS JACKSON</b>		<b>VICE COMMODORE</b>	
<b>Qualifications</b>		Company Director, Licenced Builder	
<b>Experience</b>		State Race Officer, Youth Development, Yachting Coach	
<b>DAVID EICKMEYER</b>		<b>REAR COMMODORE</b>	
<b>Qualifications</b>		Sailmaker, Director	
<b>Experience</b>		Professional Yachtsman, Coach, Ocean Racer, Youth Development	
<b>REECE JAMES</b>		<b>CLUB CAPTAIN</b>	
<b>Qualifications</b>		Licenced Builder, Aviation, Boat Building	
<b>Experience</b>		Youth Development, Race Management	
<b>JON PHILLIPS</b>		<b>TREASURER</b>	
<b>Qualifications</b>		B. Bus & Commerce (HONS) / B. Business (Accounting) / Currently undertaking PHD	
<b>Experience</b>		Audit, Lecturer of Accounting , Monash University	
<b>SIMON PURCELL</b>		<b>HON. SOLICITOR</b>	
<b>Qualifications</b>		Managing Partner Purcell Partners Solicitors	
<b>Experience</b>		Areas of practice include Crown Leases, Licences, Mortgage Finance and Managed Investments	
<b>KEITH BAYLISS</b>		<b>GENERAL COMMITTEE</b>	
<b>Qualifications</b>		Company Director – Property Industry, Chartered Surveyor	
<b>Experience</b>		Business and Financial Management, Corporate Governance	
<b>ROSS FERGUSON</b>		<b>GENERAL COMMITTEE</b>	
<b>Qualifications</b>		M.B.B.S (Melb) Dip. Anat. (Mon) F.R.A.C.S	
<b>Experience</b>		Surgeon, Agriculture, Youth Development	
<b>BRET LEVENSPIEL</b>		<b>GENERAL COMMITTEE</b>	
<b>Qualifications</b>		Company Director, Property Development	
<b>Experience</b>		Finance, Operations and Technology	
<b>KEITH ROSS (until Dec 2016)</b>		<b>GENERAL COMMITTEE</b>	
<b>Qualifications</b>		<b>Mechanical Engineer &amp; Civil Engineer</b>	
<b>Experience</b>		<b>Hands all with all tasks</b>	
<b>GREG SHARMAN (until Jan 2017)</b>		<b>GENERAL COMMITTEE</b>	
<b>Qualifications</b>		Advanced Dental Prosthetist, Company Director	
<b>Experience</b>		Youth Class Development	
<b>SARAH SHARMAN</b>		<b>GENERAL COMMITTEE</b>	
<b>Qualifications</b>		Bachelor of Education Secondary Environmental Science, Company Director	
<b>Experience</b>		Youth Class Development, Race Administration	
<b>ANDREW WEBER</b>		<b>GENERAL COMMITTEE</b>	
<b>Qualifications</b>		MBBS, FRACS(Orth), FAOrthA, DipAnat	
<b>Experience</b>		Surgeon, Surgical & Anatomy Teacher, Small Business Director, Ocean Racing, Youth Development	

# Meetings of the General Committee

During the Financial year, 11 meetings were held; Attendances by each Committee member were as follows:

GCM MEMBER	NO. ELIGIBLE TO ATTEND	NUMBER ATTENDED
Sheryl Schumacher	11	10
Chris Jackson	11	11
David Eickmeyer	11	9
Reece James	11	10
Jon Phillips	11	8
Simon Purcell	11	7
Keith Bayliss	11	10
Ross Ferguson	11	9
Bret Levenspiel	11	10
Keith Ross	3	2
Greg Sharman	11	7
Sarah Sharman	11	8
Andrew Weber	11	10

## Major Sponsors



**Audi** Mornington

**Harcourts**

**smart**  
BUSINESS SOLUTIONS  
Accounting & Taxation Advisors

## Club Sponsors



<b><i>*Profit &amp; Loss Statement</i></b> <i>April 2016 through March 2017</i>		MYOB format
<b>Income</b>		
Corporate & Admin Revenue		\$284,419
Club House Revenue		\$23,267
Yard & Harbour Revenue		\$128,743
Race Revenue		\$30,244
Social Revenue		\$19,134
Sail Training Revenue		\$38,689
Non Operating Income		\$18,576
Sailability Revenue		\$21,558
Ice Sales		\$2,123
QuarterMaster		\$8,319
<b>Total Income</b>		\$575,074
<b>Cost of Sales</b>		
Ice Cost of Sales		\$1,571
Quartermaster - Cost of Sales		\$4,853
<b>Total Cost of Sales</b>		\$6,424
<b>Gross Profit</b>		\$568,650
<b>Expenses</b>		
Corporate & Admin Expenses		\$338,485
House Expenses		\$93,048
Yard & Harbour Expenses		\$40,274
Race Expenses		\$32,355
Social Expenses		\$12,795
PR & Communications Expenses		\$88
Sail Training Expenses		\$62,456
Non Operating Expense		\$35,193
Depreciation		\$74,490
Sailability Expense		\$6,581
<b>Total Expenses</b>		\$695,766
<b>Operating Profit</b>		(\$127,416)
<b>Restaurant Income</b>		
Rent Income		\$191,404
Recovery of outgoings		\$23,632
<b>Total Restaurant Income</b>		\$215,037
<b>Restaurant Costs</b>		
Council Rent - Rocks		\$40,200
Depreciation		\$20,388
<b>Total Restaurant Costs</b>		\$60,588
<b>Net Profit / (Loss)</b>		\$27,333

NOTE: The above profit and loss is as per EOFY MYOB software which is in additions to the independent review Financial Statement.







# Mornington Yacht Club

Mornington Yacht Club

ABN 44 004 625 414

As at 31 March 2017

Prepared by SMART BUSINESS SOLUTIONS

# Contents

3	Income Statement
4	Balance Sheet
5	Limited Cash Flow Statement
6	Notes to the Financial Statements
10	Directors Declaration

# Income Statement

## Mornington Yacht Club

For the year ended 31 March 2017

	NOTES	2017	2016
<b>REVENUE</b>			
Membership and Administrative revenue		270,326	242,324
Revenue from ordinary activities		271,624	292,027
Sponsors' contributions		18,801	6,496
Restaurant revenue		215,037	191,960
Other		22,422	45,956
<b>Total REVENUE</b>		<b>798,210</b>	<b>778,762</b>
<b>Total Income</b>		<b>798,210</b>	<b>778,762</b>
<b>EXPENSES</b>			
Administration expenses		381,788	303,488
Expenses from ordinary activities		263,170	305,619
Restaurant expenses		60,587	76,872
Depreciation		65,332	45,930
<b>Total EXPENSES</b>		<b>770,878</b>	<b>731,909</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>27,333</b>	<b>46,853</b>



# Balance Sheet

## Mornington Yacht Club As at 31 March 2017

	NOTES	31 MAR 2017	31 MAR 2016
<b>Assets</b>			
<b>Current Assets</b>			
Accounts Receivable	2	27,646	35,909
Cash & Equivalent		60,968	6,241
Inventory	3	11,258	8,685
Sponsor's contributions		8,100	7,500
<b>Total Current Assets</b>		<b>107,973</b>	<b>58,335</b>
<b>Non-Current Assets</b>			
<b>Property, plant and equipment</b>			
Fixed assets		1,409,089	1,283,359
<b>Total Property, plant and equipment</b>		<b>1,409,089</b>	<b>1,283,359</b>
Borrowing Cost		6,653	8,316
<b>Total Non-Current Assets</b>		<b>1,415,742</b>	<b>1,291,675</b>
<b>Total Assets</b>		<b>1,523,714</b>	<b>1,350,010</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payroll Liabilities		16,754	30,338
Accrued Member Loan Interest		-	25,059
GST		16,417	1,964
Refundable Deposits-Keys		-	13,364
Trade Creditors Control	6	-	34,701
CBA Loan 2016 #471		687,906	239,357
CBA Loan 2015 #463		173,786	117,751
MYC Foundation		35,562	-
<b>Total Current Liabilities</b>		<b>930,424</b>	<b>462,533</b>
<b>Non-Current Liabilities</b>			
Financial Liabilities		77,812	398,214
<b>Total Non-Current Liabilities</b>		<b>77,812</b>	<b>398,214</b>
<b>Total Liabilities</b>		<b>1,008,236</b>	<b>860,747</b>
<b>Net Assets</b>		<b>515,479</b>	<b>489,263</b>
<b>Equity</b>			
Retained Earnings		515,479	489,263
<b>Total Equity</b>		<b>515,479</b>	<b>489,263</b>

# Limited Cash Flow Statement

Mornington Yacht Club

For the year ended 31 March 2017

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>2017</b>	<b>2016</b>
Net Income	\$27,333	\$46,853
Cash receipts from other operating activities	\$8,104	\$89,701
Less cash outflows from operating activities	\$5,690	-\$6,183
<b>Total cash flows from operating activities</b>	<b>\$ 41,127</b>	<b>\$ 130,371</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Buildingnworks in progress	-\$695	\-\$4,689
Club Buildings	-\$81,797	-\$14,004
Club Furniture & Equipment	-\$12,390	-\$9,434
Rescue Boats & Motors	-\$25,710	-\$63,136
Slipway Improvements	-\$21,032	-\$34,127
Crane & Ramp	-\$6,486	-\$0
Moorings	-\$31,080	-\$0
Sailability Assets	-\$9,954	-\$0
Yard Improvements	-\$11,096	-\$0
<b>Total cash flows from investing activities</b>	<b>-\$200,239</b>	<b>-\$125,390</b>
<b>FINANCING ACTIVITIES</b>		
Cash flows from financing activities	\$206,757	\$8,926
<b>Net cash provided by financing activities</b>	<b>\$206,757</b>	<b>\$8,926</b>
<b>Net increase/(decrease) in cash held</b>	<b>\$47,645</b>	<b>\$13,907</b>
<b>Cash at the beginning of the year</b>	<b>\$29,891</b>	<b>\$15,984</b>
<b>Cash at the end of the year</b>	<b>\$77,536</b>	<b>\$29,891</b>

# Notes to the Financial Statements

## Mornington Yacht Club

### For the year ended 31 March 2017

#### 1. Statement of Significant Accounting Policies

The directors have determined that the company is not a reporting entity and accordingly, this financial report is a special purpose report prepared for the sole purpose of distributing a financial report to members and must not be used for any other purpose. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members.

The financial report has been prepared on an accrual basis and under the historical cost convention, except for certain assets, which, as noted, have been written down to fair value as a result of impairment. Unless otherwise stated, the accounting policies adopted are consistent with those of the prior year.

The accounting policies that have been adopted in the preparation of the statements are as follows:

#### Income Tax

The income tax expense for the year comprises current income tax expense. The company does not apply deferred tax. Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at 31 March 2017. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

#### Inventories

Inventories are carried at the lower of cost or net realisable value. Cost is based on the periodic method and includes expenditure incurred in acquiring the inventories and bringing them to the existing condition and location.

#### Property, Plant and Equipment

Property, plant and equipment is initially recorded at the cost of acquisition or fair value less, if applicable, any accumulated depreciation and impairment losses. Plant and equipment that has been contributed at no cost, or for nominal cost, is valued and recognised at the fair value of the asset at the date it is acquired. The plant and equipment is reviewed annually by directors to ensure that the carrying amount is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the utilisation of the assets and the subsequent disposal. The expected net cash flows have been discounted to their present values in estimating recoverable amounts.

Freehold land and buildings are measured at their fair value, based on periodic, but at least triennial, valuations by independent external valuers, less subsequent depreciation for buildings.

Increases in the carrying amount of land and buildings arising on revaluation are credited in equity to a revaluation surplus. Decreases against previous increases of the same asset are charged against fair value reserves in equity. All other decreases are charged to profit or loss.

Any accumulated depreciation at the date of revaluation is offset against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

#### Trade and Other Receivables

Trade receivables and other receivables, including distributions receivable, are recognised at the nominal transaction value without taking into account the time value of money. If required a provision for doubtful debt has been created.

#### Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at 31 March 2017. Trade payables are recognised at their transaction price. They are subject to normal credit terms and do not bear interest.

## Employee Benefits

Provision is made for the liability for employee entitlements arising from services rendered by employees to 31 March 2017. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related costs.

## Provisions

Provisions are recognised when the entity has a legal or constructive obligation resulting from past events, for which it is probable that there will be an outflow of economic benefits and that outflow can be reliably measured. Provisions are measured using the best estimate available of the amounts required to settle the obligation at the end of the reporting period.

## Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

## Revenue Recognition

Revenue from the sale of goods is recognised upon the delivery of goods to customers.  
 Revenue from the rendering of services is recognised upon the delivery of the services to customers.  
 Revenue from commissions is recognised upon delivery of services to customers.  
 Revenue from interest is recognised using the effective interest rate method.  
 Revenue from dividends is recognised when the entity has a right to receive the dividend.

All revenue is stated net of the amount of goods and services tax (GST).

## Goods and Services Tax

Transactions are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

	2017	2016
<b>2. Receivables</b>		
<b>Current</b>		
MM Debtors	30,146	38,409
Provision for Doubtful Debts	(2,500)	(2,500)
<b>Total Current</b>	<b>27,646</b>	<b>35,909</b>
<b>Total Receivables</b>	<b>27,646</b>	<b>35,909</b>
	2017	2016
<b>3. Inventory</b>		
Stock On Hand - QuarterMaster	11,258	8,685
<b>Total Inventory</b>	<b>11,258</b>	<b>8,685</b>

	2017	2016
<b>4. Property Plant and Equipment</b>		
<b>Other Fixed Assets</b>		
Building Works in Progress	5,384	4,689
Club Buildings	456,762	374,965
Less Accumulated Depreciation on Club Buildings	(134,517)	(122,896)
Club Furniture & Equipment	111,410	99,020
Less Accumulated Depreciation on Club Furniture & Equipment	(84,154)	(79,617)
Crane & Ramp	55,502	49,016
Less Accumulated Depreciation on Crane & Ramp	(47,254)	(45,498)
Moorings	31,080	-
Less Accumulated Depreciation on Moorings	(4,409)	-
Rescue Boats & Motors	271,081	245,371
Less Accumulated Depreciation on Rescue Boats & Motors	(164,896)	(142,070)
Restaurant Buildings	1,073,002	1,073,002
Less Accumulated Depreciation on Restaurant Buildings	(345,202)	(326,540)
Restaurant Plant & Equipment	117,512	117,512
Less Accumulated Depreciation on Restaurant Plant & Equipment	(106,761)	(105,035)
Sail training boats	27,680	27,680
Less Accumulated Depreciation on Sail training boats	(15,940)	(13,868)
Sailability Asset	97,227	71,653
Less Accumulated Depreciation on Sailability Asset	(55,935)	(51,195)
Slipway Improvements	71,327	50,295
Less Accumulated Depreciation on Slipway Improvements	(10,627)	(579)
Yard Improvements	395,294	384,198
Less Accumulated Depreciation on Yard Improvements	(334,478)	(326,745)
<b>Total Other Fixed Assets</b>	<b>1,409,089</b>	<b>1,283,359</b>
<b>Total Property Plant and Equipment</b>	<b>1,409,089</b>	<b>1,283,359</b>
	2017	2016

#### 5. Cash & Cash Equivalents

Day Pass Float	50	50
Race Office Float	100	100
Petty Cash Office Float	365	365
Bank - MYC Foundation - #176	41,221	-
CBA - Credit Card #156	(1,078)	(201)
CBA Bill Repay - #354	-	(500)
CBA Capital Works - #362	-	140
Commonwealth Bank - #717	20,310	6,287
<b>Total Cash &amp; Cash Equivalents</b>	<b>60,968</b>	<b>6,241</b>



	2017	2016
<b>6. Payables</b>		
<b>Current</b>		
Trade Creditors Control	-	34,701
<b>Total Current</b>	-	<b>34,701</b>
<b>Total Payables</b>	-	<b>34,701</b>

## Directors Declaration

### Mornington Yacht Club

### For the year ended 31 March 2017

In accordance with the requirements of the Corporations Law, The Directors report that:

1. The principal activity of the Company during the financial year ended 31st March 2017 was the running of the Mornington Yacht Club. A brief review of the operations of the club for the year is contained in the Commodore's report.

There were no significant changes in the activities of the Club during the year.

2. Operations for the financial year ended 31st March 2017 resulted in a net surplus of \$27,333 after depreciation.

3. No dividends were paid during the year and no recommendation is made as to dividends. The Company is a company limited by guarantee and as such no member is entitled to dividends.

4. No options for shares in the Company have been granted during the financial year and there were no options outstanding at the end of the financial year.

5. No director has received or become entitled to receive, during or since the end of the financial year, a benefit because of a contract made by the company, controlled entity or a related body corporate with a director, a firm of which the director is a member, or an entity in which a director has a substantial financial interest.

6. The company has, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the club or related body corporate.

- Indemnified and made any relevant agreement for indemnifying against a liability, including cost and expenses in successfully defending legal proceedings; and

- Paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

7. At the date of this report, there are no other matters or circumstances that have arisen since 31st March 2017 that have significantly affected or may significantly affect:

The operations in financial years subsequent to 31st March 2017, of the economic entity constituted by the company; or

The state of affairs in financial years subsequent to 31st March 2017.

Signed this 25th day of May 2017, in accordance with a resolution of the Board of Directors.

Signature



Signature

Commodore



Honorary Secretary

31 May 2017

Mornington Yacht Club Limited  
Snapper Point Drive  
Mornington, VIC 3931

**Dear Rod and Fellow Directors,**

Thank you for the opportunity to be appointed to review the 2017 financial report of the Mornington Yacht Club Limited ("the club"). The financial report of the club consists of the statement of financial position, comprehensive income, cash flows, notes and director's report for the year ended 31 March 2017.

#### **Objective of our review**

Our review has been conducted in accordance with Standards on Review Engagements (ASREs) as issued by the Auditing and Assurance Standards Board (AUASB). The scope of a review of a financial report is substantially less than the scope of an audit conducted in accordance with the auditing standards. Our review does not provide basis for expressing an opinion whether the financial report is presented fairly, in all material aspects, in accordance with the applicable financial reporting framework.

A review consists of making enquiries, primarily with those responsible for financial and accounting matters and applying analytical and other review procedures. The objective of our review is to plan and perform the review to form a conclusion whether, on the basis of the review, anything has come to our attention, as reviewers that cause us to believe that the financial report is not prepared, in all material respects, in accordance with the applicable financial reporting framework.

#### **Work Performed**

As part of our review we performed the following:

- Conducted discussion to understand the club's operations
- Discussed system and key controls procedures
- Discussed potential risk areas and reliance on internal controls
- Performed the planned verification and analytical review of all balance sheet accounts and selected Profit and Loss accounts
- Reviewed the last year audit workpapers and management letter, including the response of the club to the management letter
- Prepared substantiation workpapers for the 2017 review report
- Conducted debrief meetings – interim and final, and produced the final review documentation

As indicated in our Review Report dated 25 May 2017 there were no significant material misstatements identified that would impact the fair view of the financial reports submitted by the club for our review.

## Recommendations

During our review we did however identify opportunities for improvement in the clubs financial processes to improve the accuracy and integrity of the club's financial report.

1. Regular reconciliation between Members' Magic and Accounting Software is required
2. A proper system needs to be implemented for the club's inventory control.
3. Keep in mind that tracking codes have been set up in Xero. Please use these categories when reconciling transactions.
4. We are recommending to perform quarterly GST reconciliations – accounting system vs ATO portal. At year end, an annual GST reconciliation should be performed to ensure all interim adjustments, which may have GST implications, have been accounted for. For this 2017 financial year, we've found a \$1,329 (payable) discrepancy. Going forward, we advise that you publish BAS reports in Xero and lock periods after you've done your BAS
5. A control procedure should be established for fundraising activities to ensure all funds are accounted for.
6. Insurance policies should be reviewed regularly and ensure that the correct GST component is taken up. You can use Xero library to store documents in the future.
7. SMART Business Solutions are happy to provide assistance in the preparation of higher level management reports should the board deem necessary.

Please do not hesitate to contact us if you have any further questions or require assistance.

Yours faithfully



Shannon Smit  
Director



Nadia Hughes  
Director