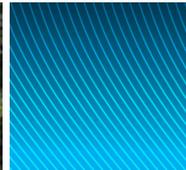
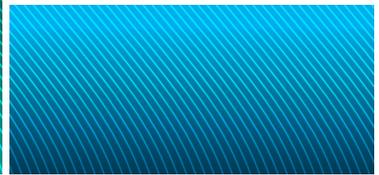
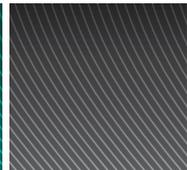
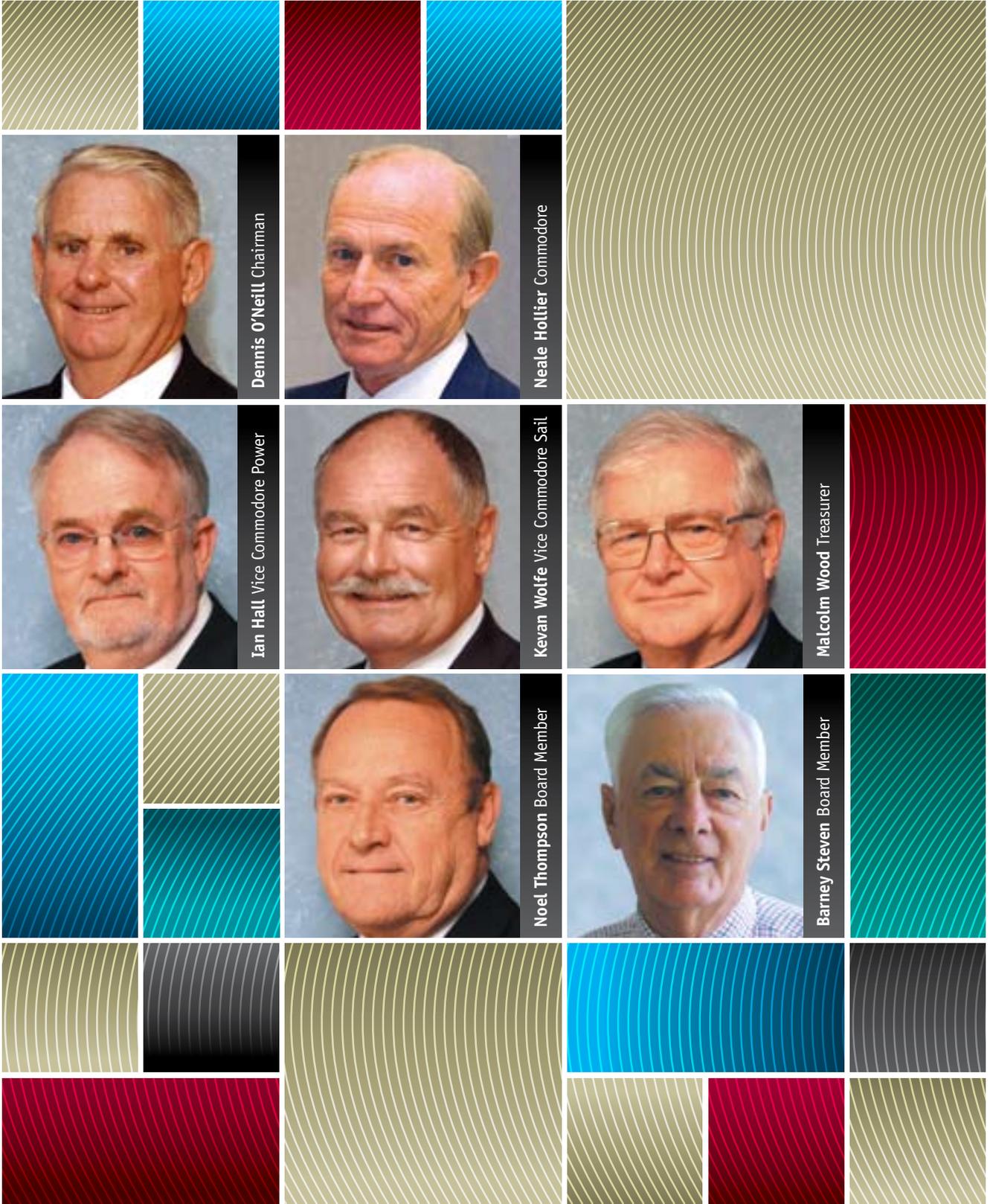


SOUTHPORT YACHT CLUB INC. 2007 | 2008
Annual Report
Yachting with the Community since 1946



THE PEOPLE





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Sponsors

James Frizelle's Audi Centre Gold Coast
Samuel Smith & Sons (Yalumba Wines)
Grande Pacific
Club Marine Beneteau VicSail
Westpac Coachmen
Bosun's Locker Jotun
Volvo Penta Castlemaine Perkins
Coca-Cola Maxxium Equititrust
SimsMetal Sep's Retravision
Ronstan Sovereign Barbeques
Wattyl Norco Milk
Stessl Makocraft BirkBeck's Jewellers
Life4Ever Reward Supply
Telemachus Jewellery Battery World
Dulux Sports Super Centre
Nitro Marine
Stormy Natural Oz Clean
Darkhorse Computers Line7
Altex
SailTech Australia Resene
Marrvale Painting Contractors
Tetley Tea
Powertec Telecommunications

Attendance at Board Meetings

Number of Board Meetings held	13
Number of Special Board Meetings held:	1
extraordinary meeting	
Dennis O'Neill	12
Neale Hollier	12
Kevan Wolfe	12
Ian Hall	8
Barry Peachey	10
Malcolm Wood (Treasurer for 9 months)	8
Noel Thompson	8
Daniel Cadman (Treasurer for 3 months)	4
Barney Steven	3
Thomas Martin	4
Tony Goldner	4
David McLean	2

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CHAIRMAN'S REPORT



ONCE AGAIN I AM PLEASED TO REPORT THAT 2007-08 HAS BEEN A SUCCESSFUL YEAR FOR SOUTHPORT YACHT CLUB DESPITE A NUMBER OF SETBACKS.

The Club made an operating profit before depreciation of \$560,150 or a (\$349,694) variance to the corresponding period the previous year. The major reasons for the negative variance were:-

Rent Increase	\$215,870
Reduction in Marina Activity due to the construction of the new Marina	\$118,238
Increased costs of R & M, OH & S	\$ 77,588
Increase in F & B Consultancies	\$ 42,709
	(\$454,405)

However, SYC is in good financial shape with actual financial ratios for the year ending 2008 of 12.29% gearing ratio, 4.20% interest cover ratio, and a working capital ratio of 1.27:1. The Club is therefore, working well within its financial ratios of 20% gearing ratio, 3 times interest cover ratio and a working capital ratio of 1:1.

Unfortunately, the year was not without its challenges but by working together the Board and the dedicated staff of the Southport Yacht Club weathered the upheavals and the Club is in a very strong position as it moves forward. The budget for 2008-09 shows a significant increase over the operating profit for 2007-08.

In September, Sharon Morrish relinquished her position as General Manager to pursue family business opportunities and in November Joe Goddard was appointed as her replacement. Disappointingly, in May Joe left the Club and we are currently seeking a suitably qualified person to fill the position.

During his tenure the Board requested Joe to undertake audits of the Waterfront and Hardstand areas and it was found that the Club was in breach of a number of environmental and health and safety regulations. The purchase of new safety equipment and training in OH & S areas has been undertaken by a number of staff and by working with a specialist OH & S consultant the Club now is well on the way to complying with regulatory and statutory requirements in this area.

The environmental issue on the Hardstand is more complicated and remediation of our non-compliance in this area over a long period may prove costly to the Club. However, the Club is working closely with all authorities to ensure that we achieve the best outcome at the least capital cost.

In addition, Joe also focussed on the food and beverage aspects of the Club. This resulted in changes and a greater emphasis on increasing quality and cost savings where applicable. Although not without setbacks there was an overall increase in beverage sales and fewer complaints as to the quality of the food were received.

However, the Board recognises that there is still considerable work to be done in this area to ensure that there is continual improvement for members.

As you are aware, we held an EGM to decide the fate of the gaming machines at the Club. This meeting endorsed a proposal by the Board to surrender our Gaming Licence in order to reduce our rental payments to Department of Natural Resources (DNR). The benefit to the Club is a possible saving of \$378,400 (inc. GST) in rental payments. Following that meeting the Club also entered into negotiations to sell the machines to the highest bidder and this yielded the Club a further \$58,000 (inc. GST). There is also an appeal process being undertaken by the Club to challenge the current valuation of \$17,200,000 (previous valuation \$9,800,000) for our leasehold area. If successful, this will have the effect of further reducing our overall rent. Members will be updated as events unfold.

Last year we reported that the Board had entered into an "Exclusive Agreement" with an overseas consortium whilst the consortium tried to formulate a concept for the Southport Yacht Club site. The consortium was unable to present anything to the Board and the agreement lapsed. The Board has also clarified with DNR the fact that should such a commercial development be considered in the future that our lease could be in jeopardy and that DNR would be the party to call for expressions of interest to develop the site.

Another issue from last year is the fact that the banding system imposed by Yachting Queensland still poses a problem for Southport Yacht Club. The appeal against the conditions of the banding system was unsuccessful and the Club paid fees to Yachting Queensland to the value of \$27,325 over and above that recouped from participating members. Future Boards will have to consider ongoing expected increases in costs and the overall benefit that Yachting Queensland provides to Southport Yacht Club.

Converting our Hollywell lease to a trustee lease, as previously reported to members, is well underway and I expect that the formalisation of the conversion should be completed within the next few months thereby generating further savings in lease payments.

Preliminary discussions have taken place with Gold Coast City Council for the renewal of the Dux lease and this will need to be followed through by the incoming Board.

However, we are in the final stages of formalising a new Swing Mooring Agreement with Queensland Transport. Queensland Transport has also been very pro-active in their dealings with Southport Yacht Club and the wider boating community in an endeavour to reduce speed limits on the Broadwater.

The Board has approved the Club's application to enter into a contract to construct Phase 3 subject to the finalisation of pre-leasing the outstanding marina berths. These negotiations are expected to be completed in early June.

The total money raised towards the phase 3 project by pre-leasing berths is \$1,143,000 and the total number of berths pre-leased is 91 (with one more currently under negotiation for pre-leasing for ten years at \$385,000 (ex. GST) which is below our one third ratio as previously approved by members.

The marina extensions were formally opened late last year. The SuperYacht berths have not been the success that everyone had hoped and their sales have been slow. However, we have been able to lease them and we will be able to accommodate the bigger boats in the future.

A number of organisational changes were implemented over the last year and without the guidance of a General Manager for many weeks, the staff worked tirelessly to ensure that there was minimal impact on the service they provided to members. Utilising this new structure and under the day to day management of the Board and its committees the staff were able to satisfactorily continue operating the Club. On behalf of the Board and the members I would like to thank and congratulate them on their superb effort.

Our Club is successful in many arenas due to the ceaseless work of our volunteers and once again the Board expresses gratitude to them all.

I would also like to express my thanks to the Board for the time and effort they have put in during a difficult year. As I have stated many

times, Board members give countless hours of volunteer service in an attempt to provide others with a recreational facility we can all enjoy.

As I finish my time as Chairman and as I will not be seeking a further term due to ever increasing external work pressures I would like to express my personal thanks to all those members who have supported me over the past two terms. I look forward to meeting many of you in the Clubhouse and on the water and wish the incoming Board every success as they continue their efforts on behalf of members.

DENNIS O'NEILL
Chairman

COMMODORE'S REPORT



MY SECOND YEAR AS COMMODORE OF SOUTHPORT YACHT CLUB HAS BEEN A CHALLENGING AND REWARDING YEAR.

With Sharon Morrish's departure from the role of General Manager in late 2007 and with the recent resignation of Joe Goddard as Chief Executive Officer the role as Commodore certainly has been varied over the last twelve months. My thanks to our staff who have willingly covered additional roles without a moment of hesitation.

What a relief it was to have the Marina extensions complete by October 2007. Our new berths are very popular and spectacular. Thank you Barry Peachey and management for all the time and effort put into making the extension a reality.

Success hasn't stopped there. Our sailors, power boaties and outriggers have been performing exceptionally well both locally and in representing Australia. Their efforts and success has put Southport Yacht Club in the forefront of boats in Australia and envied by all.

Sailing

- Southport Yacht Club Member Murray Bucknall (Ryujin FGI owner) and Jon Sayer (Ryujin FGI designer) successfully competed in the mammoth event that is the Melbourne-Osaka Double Handed Yacht Race back in March 2007 earning Murray Bucknall the Perpetual Ocean Sailing Trophy for Southport Yacht Club's 2006/07 sailing season.
- On 14th and 15th July SYC's Sailing Squadron at Hollywell hosted the State Titles for the ever growing International Optimist Class. In the past few years the Optimist has been in a building stage in eastern Australia and Queensland has played a big part in this growth. This was the 3rd State titles for Queensland and having 14 boats the previous year it was a great result to see 35 boats at the SYC State Titles this year.

- During the year the Club lost a very special Member, Max Fabre. I'm sure quite a number of you would remember Max. He always sat and dined in the same spot inside our Club every day. Max bequeathed to SYC the sum of \$25,000 for a sail training vessel for our junior sailors and for this we are extremely grateful. Many sailors have gained invaluable experience learning to sail and competing onboard the new blazer, *Max Fabre*.
- Near the end of September 2007 four sailing teams left Australia to compete in Shanghai at the Special Olympics World Summer Games the largest event to be held in the world this year. All four teams came back with medals. The Australian sailing teams included local club sailors Sonja Gilmore (Bronze Medal) in the two person female class, Warren Hawkins from Bayside (Silver medal) in the two person male class and Belinda Hill with Alyse Saxby from New South Wales and Chris Ruston as *on-board coach* each receiving silver medals in the three person larger boat configuration. Sonja and Warren were also nominated as Finalists of the 2008 Australian Yachting Awards in early 2008, in the category of Sailor of the Year with a Disability, **what an achievement**.
- Junior Sailor, Sean Ott competed in the International Optimist Dinghy Association 2007 World Sailing Championship achieving 101st equal overall. The best place ever achieved by an Australian at this event.
- The 4th Annual Audi Great Race held on Saturday 9th February saw entries from sixty-one boats however it was a shame that the winds this year weren't so kind as years previous. Unfortunately the race was shortened at Cabbage Tree Point ensuring all boats had a chance of finishing.
- Matthew Percy and his crew finished third in their division in the Rolex Sydney to Hobart Yacht Race for the second year in a row despite technical difficulties onboard.

Power

It is great to see the Goodwill Cup back in our trophy cabinet. A testament to a **very successful** year of Log Events. Unfortunately however is the loss of Ian Short who this year won Division 1 in the Goodwill Cup. Ian has been a major contributor to the power boat division for many years and will be sadly missed.

The Power Boat Committee's social cruises have been very successful also, with great locations, friendships and hospitality provided, especially from our sponsor Grande Pacific.

Success is due largely to the guidance of our hard working Vice Commodore Power, Ian Hall and our Chairman of Power, Tony Swadling. Thank you.

Associates

This team of hardworking and fun loving ladies work endlessly for our Club. The Associates provide enjoyable events and outings whilst they are fundraising and then donate their profits to support our Club. Antoinette certainly has kept us entertained. Recently the Associates have assisted our Sailing Academy with providing Associates 1, a new \$20,000 Gemini Caribe inflatable rescue boat which will greatly assist with junior sailing activities, school holiday camps and annual sailing events.

Outriggers

SYC Outriggers successfully competed with over fifty international and national clubs in the 2007 Annual Hamilton Island Cup Outrigger Racing Week. This event features three days of sprints (500m and 1000m) and medium distance races (16km) before the culminating 42km marathon on the last day.

The SYC Outrigger's achieved excellent results with the Open Women's Team being the *only* team from *one club* to receive a medal in every event/race they competed in. Our Master Women's Team won medals in the sprints and the 42km race.

Our Outriggers also proved that they have closed the gap on Mooloolaba Outrigger Canoe Club since last season, winning the 12th Annual Gold Coast Cup with a four minute lead – all the best SYCOs at the 2008 Annual Hamilton Island Cup Outrigger Racing Week.

Volunteers

Thank you to the numerous Southport Yacht Club Volunteers as individuals, committees and divisions, your passion has helped shape the wonderful culture of Southport Yacht Club.

In closing I would like to thank our Board of Directors for the numerous hours and hard work they have contributed this year. The management and staff of Southport Yacht Club have always had our Club at heart. For a job well done, I extend my thanks.

NEALE HOLLIER

Commodore

ASSOCIATES COMMITTEE REPORT



President
Antoinette Edmunds

Vice President
Kim Powell

Secretary
Leanne Sanderson

Treasurer
Carmel Nicholas

I WOULD LIKE TO BEGIN BY EXTENDING A HUGE THANKS TO OUR SPONSORS AND TO THOSE WHO HAVE DONATED PRIZES TO OUR COMMITTEE.

Your help has made it possible for us to achieve great things such as contributing to the cost of airfares to fly our Gold Coast Sailability representatives to the World Special Olympics, Shanghai in October 2007. Kim Powell, Vice President and our Gold Coast Sailability representatives were also fortunate to visit Government House prior to heading off to China.

Brenda Palm our Sailability Correspondent accompanied by her husband Ismo and myself presented Sailability Gold Coast with a cheque on behalf of the Southport Yacht Club Associates Committee at a gathering at Southport Yacht Club's Sailing Squadron, Hollywell in September which was very encouraging for all in attendance before our sailors left for Shanghai.

Melbourne Cup Day at Southport Yacht Club with the inimitable Cr. Dawn Crichlow AOM as MC was a hoot. Our luncheon was fantastic

with all getting into the spirit of the event both at our luncheon in the Compass Room and in the Waterfront Restaurant. A big thank you to Shayler Conder singer/songwriter for adding her special touch to the occasion.

As the Gold Coast becomes a more popular place to live, work and play and as the population on the Gold Coast grows on land, so does the need for extra awareness of safety on the water. Southport Yacht Club's Ladies Associates purchased an urgently needed Gemini Caribe inflatable rescue boat for Southport Yacht Club's Sailing Academy in January this year.

The new \$20,000 rescue boat brings the Southport Yacht Club Sailing Academy's rescue fleet up to four to assist with the increase in children sailing activities, school holiday camps and annual sailing events. On May 14th 2008 the blessing of the new rescue boat was celebrated at the Main Beach Clubhouse.

Please support the Associates as we continue to raise money for things like rescue vessels, sailboats and sporting equipment for Sailability (Gold Coast Sailors with disabilities) by attending our functions be it on the bus trips, raffles on Wednesday nights or our Club events normally run in the Compass Room overlooking the spectacular Gold Coast Broadwater. So you really have a hand in it through supporting us.

Other great events we held throughout the year included our Leap Frog luncheon, Cabaret evening with Ipu Brown and her wonderful entourage and a fantastic *Byron Bay, Bangalow* and *Beyond* getaway organised by Brenda. Phantom of the Opera Bus Trip organised by Anne Maree von Zeppelin of Zeppelin Travel was a great evening and good fun fundraiser with Zeppelin Travel providing a generous donation to our committee.

Finally, I have enjoyed my term as Associates President and unfortunately my first year as President will be my last due to personal and work commitments. Thank you to all the ladies of the Associates Committee and past President Anne Maree von Zeppelin for such a smooth handover. Leanne Sanderson will take on the role of Associates President for the 2008/09 term.

ANTOINETTE EDMUNDS

Associates President

POWER BOAT REPORT



Vice Commodore Power
Ian Hall

Chairman
Tony Swadling

Committee
Bill Clayton
Dennis Fountain
Blair McDonald
Justin Sinnamon

Wayne Dwyer, Don Nowlan, Ken Boardman, Alan and Margo Roots, Richard Von Uht and Karen Bretagne, Clive Foster, the Power Boat Committee and of course our good friend, who will be missed, Ian Short. Other great Log Event friends that we sadly lost this year were Dennis Stenhouse and Greg Webb.

Thanks to all our volunteers for an excellent job.

The good natured jibes about being *out of Position* have been noted again this year and I am sure the Power Boat Committee will take particular care next season to find even better *hiding* spots.

To the Committee, Dennis Fountain, Blair MacDonald, Bill Clayton and Justin Sinnamon, thank you for your dedication during the year, it has been a great social and working Committee.

Thanks to our traditional and loyal Sponsors: Jotun Bosun's Locker, SimsMetal, Wattyl Paints, Castlemaine Perkins XXXX, BirkBeck's Jewellers, Makocraft, Equititrust, Yalumba Wines, Mount Gay Rum, Volvo Penta Oceania and Nitro Marine for their fantastic support of Southport Yacht Club and its Power Boat events.

Our Social Cruises were proudly sponsored by Grande Pacific.

As usual Past Commodore Tony Goldner has been tireless in arranging sponsors, trophies and general help and I would like to extend the Committee's thanks for this.

Thanks to Rosemary Austin for her hard work and courteous cooperation during the year and to the rest of the SYC staff for their help and cooperation in organising events and barbeques and all the other things the Power Boat Committee needed during the year.

As the Power Boat Chairman, I would like to thank Vice Commodore Power Ian Hall, for his tireless effort, support and friendship throughout this year. He has taken on an involved position in the Club and has done a great job.

I am going to retire as Power Boat Chairman after this season to teach my kids some sailing and wish the incoming Committee all the best for next year.

Wishing you safe boating,

TONY SWADLING
Power Boat Chairman

WHAT A YEAR. WE HAVE HAD A VERY COMPETITIVE LOG EVENT SEASON AND HAD OUR BEST CRUISING SEASON FOR SOME TIME, WITH SOCIAL CRUISES TO THE TWEED, LOGAN AND BRISBANE RIVERS, AS WELL AS OUR USUAL LOCAL SOCIAL CRUISES.

As usual our Log Event season has not yet finished at the time of writing this report; however it is pleasing to see some new faces featuring in the winners circle this year.

During our Interclub events, it is great to be able to announce that Southport Yacht Club won the Australian Power Boat Navigation Championship, the Goodwill Cup and the Four Corners event again this year.

Thanks to Dennis, Blair and Justin for their efforts in arranging cruises this year and also for making a start in setting up cruises for next season. Blair, Dennis and Justin have volunteered to make a special committee of three to arrange the cruises next year. This will include a bigger calendar and some Interclub Cruises.

Without our volunteers it would be impossible to run Log Events and thanks to our checkpoint volunteers: Jim Sim, Gordon Drinnan,



SAILING REPORT



Vice Commodore Sail
Kevan Wolfe

Chairman & Sponsorship
Cleve Skidmore

Offshore
Sean Allardice

Inshore
David Fletcher

Etchells
Mark Sanders

Multihull
Graham Hiles

Dinghy
Peter Lahey

Sailability
Will Pringle

THE PAST SAILING SEASON WAS A BUSY ONE AT HOLLYWELL AND BY ALL INDICATIONS THE COMING 2008/2009 SEASON IS GOING TO BE EVEN BUSIER. WE ARE HAVING TROUBLE FINDING ENOUGH WEEKENDS TO FIT IN THE VERY FULL SAILING CALENDAR.



There are only two weekends in the season we are not racing and that's the Indy weekend and over Christmas when our elite sailors are away representing the Club in their various class events.

On any other weekend there is off the beach racing at Hollywell in five separate divisions.

Unfortunately, earlier in the year the weather gods were definitely against us. We were forced to reschedule a number of races because of heavy weather, especially offshore. The Etchells fleet loves to sail offshore but the weather kept them inside the Seaway for all but one race day. Despite this we were able to provide them with some good racing inside.

And then just to be perverse the weather gods took a day off during the annual Great Race and the race committee was forced to shorten the race at the halfway mark just north of Jacobs Well because of the lack of wind.

It was pleasing to see five of our Sabot sailors make the Queensland State team to compete in the Sabot Nationals. Our team members did the Club proud, finishing with a second and a seventh out of 72 boats in the senior division and a sixth in the juniors.

The support of the offshore events by the bigger cruising and racing yachts is still disappointing despite the introduction of the type of races the group has requested.

During the year the Sailing School had a name change to the SYC Sailing Academy to better depict the activities conducted at the facility by our Sailing Manager Shane Smith and his small team.

The Learn to Sail program is proving very successful with courses booked out for July and August. Many of the people who have taken part in the program have gone on to join the Club and some have also bought their own boats and are boosting fleet numbers in Club events. The courses have also produced a pool of competent crew ready to sail.

On just about any Sunday morning there are 20-30 boys and girls on the water at Hollywell. We have the beginners sailing X3s in a fun sail program, special courses for more experienced sailors in Sabots and Optimists and then an open group who receive special advanced coaching.

The Academy is also attracting groups from Gold Coast schools who sail mid-week.

The Sailing Committee is also planning to organise a match racing series early next year using Blazers. We have four already, two owned by the Club and two on lease from members. One of the Blazers was donated from the estate of the late Max Fabre a long time member of SYC.

The Friday Boys a group who meet regularly for lunch at the Club and Rewards Supply donated an Optimist each. And Sean Ott, one of our talented sailors who finished third in the Sabot Nationals, also gave the Club an Optimist he was no longer using.

The donations enabled us to sell some of our older boats that were past their useful life. The money from the sales has gone to a special fund established to buy two more Blazers, so we can extend the proposed match racing series.

The Associates have also kindly donated another rigid inflatable. This one was specially built to be used by our elite sailor coaches and here is a big thank you to the ladies for that.

Sean Ott competed in the Optimist Worlds in Sardinia during the year and did his country proud by finishing with the best ever result by an Australian competing at world level in the class. He came home with a 101st out of a fleet of 300 boats.

Sean has since teamed up with the Club's Junior Commodore, Adam Lahey to campaign a 420 in the Youth division.

Another of our talented sailors, Matt Belcher, won the Moth class Nationals and at the time of writing was preparing for the Worlds.

A lot of hard work during the year is put in by our Sailing Manager Shane and his team and a small group of volunteers who man the start and rescue boats each weekend. Without them we wouldn't enjoy the range of sailing activities and events we do. So it's a big thank you to them for their sterling efforts.

And of course we shouldn't forget our sponsors, many of them are back every year supporting the Club, so we can have fun enjoying our favourite past time.

KEVAN WOLFE
Vice Commodore Sail





WATERFRONT REPORT



Chairman

Barry Peachey

Resigned (1/2/2008)

Committee

Phil Brooker

Doug Middleton

Ian Powell

George Rose

THE OFFICIAL OPENING OF THE MARINA EXTENSION WAS THE HIGHLIGHT OF THE YEAR AS FAR AS THIS COMMITTEE IS CONCERNED.

This was in October 2007 and consisted of a very well organised twilight cruise from the new SuperYacht berths, around the Marina and down the Broadwater and return to the Marina. The actual opening was carried out by Gold Coast City Mayor Ron Clarke. I was given the honor of reading the blessing and breaking the champagne. The extension was fully financed by long term sub-leasing of berths and the Club will benefit from the additional rental from the large berths and the short term leasing of the other new berths. During the extensions a considerable amount of extra work was carried out on the existing marinas in order to comply with upgraded fire and safety regulations. The sewage pump was also replaced with a new user-friendly pump, which is now available for use by Members.

In the Hardstand, the Environmental Enclosure, which did not comply with regulations, has now been removed and four extra cradle spaces will fit in that area. The revenue from the Hardstand area was slightly down on last year and the net profit of \$187,000.00 was down by \$55,000.00 pre-depreciation. Expenses increased by \$36,000.00 mainly due to staff training and recruitment, staff amenities, security

services, insurance, legal fees and repairs and maintenance all being considerably higher than last year. A Workplace Health and Safety audit has been carried out in this area, and a considerable capital amount spent on upgrading scaffolding and signage etcetera. The Club has to comply with our Environmental Protection Plan. This will involve recycling all water from the Hardstand surface through a purification system and will stop any discharge into the Broadwater. This process is supervised by the Gold Coast City Council.

It has been a good year, profit wise, for the Swing Moorings, although this is the year when maintenance is low. Work is about to commence on lifting the moorings and reconditioning them as required. This will be seen in next year's figures. Fuel sales have been on par with last year, although with the price increases I am sure our volume is down. Profit on fuel for the year, pre-depreciation, was \$97,000.00.

The Marinas have once again been the financial backbone for our Club, with a net profit of \$828,000.00 pre-depreciation. While income was up by \$275,431.00, expenses were up by \$318,000.00. The majority of this increase was an additional \$160,000.00 in lease rental charged to the marinas, other increases were wages, rates, insurance, repairs and maintenance, plant hire and equipment, interest paid, legal fees and security services. Full details of figures are in the Treasurer's Report.

Members may have noticed that work is being done replacing the stainless Steele straps holding the electricity conduits and the water pipes up under the Marina. This work is being carried out under warranty by Bellingham Marine contractors.

For various reasons I resigned as Chairman of the Waterfront Committee from 1st February 2008. The Board appointed Phil Brooker to succeed me as Chairman, so on behalf of myself and Phil; I wish to thank the Members of the Committee for their input during the year. My thanks to Jan Mulqueen for her contribution to the running of the Waterfront up until she was made redundant. Thank you also to Eden Crooks, Joy Hooper and Jodie Wright for the way they have carried out their duties during the year.

The Waterfront facilities are provided for the use of Members, thank you to all the Members who have patronised this area of the Club during the year.

BARRY PEACHEY

Waterfront Committee Chairman

THE SUMS

TREASURER'S REPORT



THE CLUB HAS HAD A DIFFICULT YEAR WITH A NET PROFIT OF ONLY \$39,902 A DROP OF \$324,218 COMPARED WITH 2007.



The club has not been able to offset the increase of \$220,597 in lease payments and rates this year along with the extra increase of \$94,280 in insurance, wages and repairs and maintenance.

Chairman
Malcolm Wood

Committee
Gary Doornbos
Ian Hall
Noel Thompson

	2008	2007	Diff
Surplus before Increases in expenses as listed below	354,779	364,120	(9,341)
Increase on variable costs during the current year			
Insurance	20,749		
Wages and on costs	50,873		
Repairs and Maintenance	22,658	94,280	
Profit after variable increases	260,499	364,120	(103,621)

Major increase on fixed expenses during current year			
Lease Rentals	215,870		
Rates	4,727	220,597	
Net Profit	39,902	364,120	(324,218)

Major Expenses	2008	2007	Diff
Wages and on costs	3,087,920	3,037,047	50,873
Repairs and Maintenance	274,784	252,126	22,658
Lease Expenses	547,181	331,311	215,870
Rates	106,547	101,820	4,727
Insurance	215,368	194,619	20,749
	4,231,800	3,916,923	314,877

Operating Centres After Depreciation	2008 Revenue	2008 Profit (Cost)	2008 Depreciation
Existing Waterfront	3,748,835	771,971	164,219
New Marina	258,307	222,384	35,923
Total Waterfront	4,007,142	994,355	200,142
Sporting Activities	242,263	(274,920)	50,756
Club Activities	4,549,382	(769,565)	229,632
Gaming Operations	256,812	79,553	39,718
	9,055,599	29,423	520,248

	2008	2007	Diff
Surplus before interest	29,423	317,487	(288,064)
Less Net Interest	123,365	99,257	24,108
Operating Profit (Loss)	(93,942)	218,230	(312,172)
Non Operating Income			
Ladies Associates	19,320	27,394	(8,074)
Building Levy	94,160	91,223	2,937
Profit from sales of Asset	20,364	27,273	(6,909)
	133,844	145,890	(12,046)
Net Profit	39,902	364,120	(324,218)

Operating Performances for 2008 after Depreciation

Waterfront Profit	994,355
Sporting Activities Costs	(274,920)
Gaming Profit	79,553
Club Operations including F&B	(769,565)

General

Major reconstruction of how the club operates will be undertaken in 2008/9 to reduce the current costs of \$769,565. The budget surplus for 2009 is \$355,967 and efforts will also be made to reduce the sporting activity costs of \$274,920.

Waterfront

Existing Waterfront profits dropped by \$309,895 in 2008 during the construction stage of the new marina. This has partly been offset by a increase in revenue gained from the new marina of \$258,307. Operating profits for this department should be back to normal in 2009.

Sporting Activities

	2008	2007	Difference
Details of costs			
Hollywell	47,438	35,538	11,900
Yachting	55,063	81,277	(26,214)
Sail Training	43,238	24,115	19,123
Dux	68,197	73,601	(5,404)
Power Boats	10,228	14,760	(4,532)
	<u>224,164</u>	<u>229,291</u>	<u>(5,127)</u>
Depreciation	50,756	41,146	9,610
	<u>274,920</u>	<u>270,437</u>	<u>4,483</u>

Club Operations Including Food, Beverage and Boutique

Revenue	4,548,189
Expenses	5,088,122
Loss before Depreciation	539,993
Add Depreciation expense	229,632
Total Loss	<u>769,625</u>

Margins

	2008	2007	Difference
Food & Beverage	319,630	467,091	(147,461)
Boutique	12,455	5,499	6,956
Gaming	119,271	174,530	(55,259)
	<u>451,356</u>	<u>647,120</u>	<u>(195,764)</u>

Members

Members Discounts amounted to \$216,899	
Membership Subs	628,382
Entrance Fees	44,332
Operating Revenue	<u>3,875,475</u>
Total Revenue	<u>4,548,189</u>

An increase in revenue and cost cutting procedures will have to happen in 2008/9 to improve club operations.

Gaming Operations

Poker machines ceased on 30th April 2008, profit for the year was \$79,553. Lease rent for 2009 with a gaming licence would be an extra \$344,000 if we continued to hold a "Licensed Club Gaming Licence".

Details of Assets Acquired

Capital expenditure for the year was \$4,178,727 with the new marina costing \$3,709,338 which was funded by the sale of 19 leases for 12 year period amounting to \$3,437,253.

Assets Acquired		2008	2007
	Building	28,036	63,507
	Plant & Equipment	106,537	98,226
	Hollywell Facilities	163,159	60,941
	Waterfront	3,800,832	300,684
		<u>4,098,564</u>	<u>523,358</u>
	Work in progress Phase 3	80,163	Marina 168,541
		<u>4,178,727</u>	<u>691,899</u>
Building	Beer Garden Area	13,315	
	Bar	4,977	
	Doors	6,809	
	Other Equipment	2,935	
		<u>28,036</u>	
Plant & Equipment	Waterfront and Hardstand	22,045	
	Dux (inc Toyota Ute)	8,408	
	Computers Main Beach	5,768	
	Building Improvements	4,587	
	PA Sound System	23,802	
	Food & Beverage Equipment	41,927	
		<u>106,537</u>	
Hollywell Facilities	Motor Vehicle	26,363	
	Rescue Boats	25,699	
	SYC 1 Upgrade	52,118	
	Blazer Yachts (2)	48,000	
	Fence	3,050	
	House Air conditioning	2,500	
	Other Equipment	5,429	
		<u>163,159</u>	
Waterfront	Service & Fuel Walls Mooring System	7,800	
	Waterfront building	596	
	Security and Gates	27,104	
	Electrical Boards	4,083	
	Pump outs & Sullage System	17,500	
	Boat stands and scaffolds	3,225	
	Fire Equipment upgrades	30,740	
	Other Equipment	446	
		<u>91,494</u>	
	New Marina	3,709,338	
		<u>3,800,832</u>	

The staff led by Brian Dawson and the Finance Committee of Ian Hall, Noel Thompson and Gary Doornbos have been busy with problems associated with the down turn in the economy and I thank everybody for their efforts during the year.

Membership activity and support to the club is important for the club to prosper in 2009.

FINANCIAL STATEMENTS

COMMITTEE'S REPORT

YOUR COMMITTEE MEMBERS SUBMIT THE FINANCIAL REPORT OF THE SOUTHPORT YACHT CLUB INC FOR THE FINANCIAL YEAR ENDED 30 APRIL 2008.

Committee Members

The names of committee members throughout the year and at the date of this report are:

Chairman Dennis O'Neill

Commodore Neale Hollier

Vice Commodore Sail Kevan Wolfe

Vice Commodore Power Ian Hall (appointed 30 July 2007)

Vice Commodore Power Tony Goldner (retired 30 July 2007)

Treasurer Eric Malcolm Wood (appointed 30 July 2007)

Treasurer / Director Daniel Cadman (resigned 19 November 2007)

Director Brian Steven (appointed 18 February 2008)

Director Noel Thompson (appointed 30 July 2007)

Director Barry Peachey (resigned 1 February 2008)

Director David McLean (retired 30 July 2007)

Director Thomas Martin (retired 30 July 2007)

Principal Activities

The principal activities of the association during the financial year were to provide Yachting, Power Boating, Training and social facilities to members of the association.

Significant Changes

No significant change in the nature of these activities occurred during the year except that the club submitted an application to surrender its gaming licence on 30 April 2008 and this was accepted by the Queensland Office of Gaming Regulation on 04 June 2008.

Operating Result

The profit after providing for income tax amounted to \$39,902 (2007: \$364,120).

Signed in accordance with a resolution of the Members of the Committee.

Chairman

Mr D O'Neill



Commodore

Mr N Hollier



Dated this 16th day of June 2008

INCOME STATEMENT FOR THE YEAR ENDED 30 APRIL 2008

	Note	2008 \$	2007 \$
CLASSIFICATION OF EXPENSES BY NATURE			
Sales revenue	2	4,774,647	4,975,229
Cost of sales	3	(2,513,836)	(2,603,475)
Gross profit		2,260,811	2,371,754
Services revenue	2	2,262,580	2,228,682
Rental revenue	2	1,946,281	1,689,605
Other revenue	2	72,091	72,781
Depreciation of property, plant and equipment	3	(520,248)	(545,724)
Finance costs	3	(175,092)	(148,978)
Employee benefits expense	3	(2,910,106)	(2,873,002)
Other expenses		(2,896,415)	(2,430,998)
Profit before income tax expense		39,902	364,120
Income tax expense	1a	-	-
Profit after income tax		39,902	364,120

BALANCE SHEET AS AT 30 APRIL 2008

	Note	2008 \$	2007 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	4	556,610	869,151
Trade and Other Receivables	5	224,032	547,713
Inventories	6	181,485	144,009
Other Current Assets	7	179,212	204,967
Total Current Assets		1,141,339	1,765,840
NON-CURRENT ASSETS			
Other Non-Current Assets	7	17,710	21,960
Property, Plant and Equipment	8	15,323,085	11,947,706
Total Non-Current Assets		15,340,795	11,969,666
TOTAL ASSETS		16,482,134	13,735,506
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Short-term Payables	9	2,159,799	1,858,463
Short-term Borrowings	10	79,593	90,563
Short-term Provisions	11	4,300	-
Total Current Liabilities		2,243,692	1,949,026
NON-CURRENT LIABILITIES			
Long-term Payables	9	3,610,199	1,021,487
Long-term Borrowings	10	1,484,780	1,548,960
Long-term Provisions	11	22,089	31,763
Total Non-Current Liabilities		5,117,068	2,602,210
TOTAL LIABILITIES		7,360,760	4,551,236
NET ASSETS		9,121,374	9,184,270
EQUITY			
Reserves		3,676,458	3,685,659
Retained Earnings		5,444,916	5,498,611
TOTAL EQUITY		9,121,374	9,184,270

STATEMENT OF RECOGNISED INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 APRIL 2008

	Note	2008 \$	2007 \$
RETAINED EARNINGS			
Balance at the beginning of the financial year		5,498,611	5,060,724
Transfers (to)/from reserves		(93,597)	73,767
Profit attributable to the entity		39,902	364,120
Balance at the end of the financial year		5,444,916	5,498,611
RESERVES			
	17		
Asset Revaluation Reserve			
Balance at the beginning of the financial year		3,545,124	-
Revaluations		-	3,587,815
Depreciation of revalued assets		(102,798)	(42,691)
Balance at the end of the financial year		3,442,326	3,545,124
SYC Yachting Foundation Reserve			
Balance at the beginning of the financial year		28,752	32,252
Transfer to reserves		5,000	2,000
Transfer from reserves		(9,000)	(5,500)
Balance at the end of the financial year		24,752	28,752
Building Fund Reserve			
Balance at the beginning of the financial year		111,783	-
Transfer to reserves		97,597	111,783
Balance at the end of the financial year		209,380	111,783
Asset Replacement Reserve			
Balance at the beginning of the financial year		-	68,000
Transfer from reserves		-	(68,000)
Balance at the end of the financial year		-	-
General Reserve			
Balance at the beginning of the financial year		-	90,346
Transfer from reserves		-	(90,346)
Balance at the end of the financial year		-	-
Capital Profits Reserve			
Balance at the beginning of the financial year		-	23,704
Transfer from reserves		-	(23,704)
Balance at the end of the financial year		-	-
TOTAL RESERVES		3,676,458	3,685,659

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2008

	Note	2008 \$	2007 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members		10,260,309	9,419,419
Receipt from leases paid in advance		3,105,578	398,000
Payments to suppliers & employees		(9,501,852)	(8,608,464)
Interest received		51,727	45,508
Finance costs		(175,092)	(148,978)
Net cash generated from (used in) operating activities	19b	3,740,670	1,105,485
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		20,364	27,273
Payment for property, plant and equipment		(3,973,985)	(691,899)
Net cash generated from (used in) investing activities		(3,953,621)	(664,626)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipt from borrowings		600,000	211,374
Repayment of borrowings		(699,590)	(715,493)
Net cash generated from (used in) financing activities		(99,590)	(504,119)
Net increase (decrease) in cash held		(312,541)	(63,260)
Cash at the beginning of the financial year		869,151	932,411
Cash at the end of the financial year	19a	556,610	869,151

The accompanying notes form part of these financial statements



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2008

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and Interpretations made by the Australian Accounting Standards Board, and the requirements of the Associations Incorporation Act 1981, Queensland. Because the company is a not-for-profit entity, some requirements of Australian Accounting Standards differ from International Financial Reporting Standards and in those respects this report does not apply those international accounting standards.

The financial report is for Southport Yacht Club Inc as an individual entity, incorporated and domiciled in Australia. Southport Yacht Club Inc is an association incorporated in Queensland under the Associations Incorporation Act 1981.

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Accounting Policies

a. Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Section 50-45 of the Income Tax Assessment Act 1997.

b. Cash and Cash Equivalents

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

c. Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Donations and bequests are recognised as revenue when received unless they are designated for a specific purpose, where they are carried forward as prepaid income on the balance sheet.

Interest revenue and distribution income from investments is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

d. Inventories

Inventories are measured at the lower of cost and current replacement cost. Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition.

e. Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

f. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

g. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair values less, where applicable, accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it 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 assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Property, plant and equipment that have been contributed at no cost, or for nominal cost are valued at the fair value of the asset at the date it is acquired.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Revaluations

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to a revaluation reserve in members' equity. Decreases that offset previous increases of the same classes of asset's are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Leasehold Improvements (Buildings)	3.0% - 20.0%
Plant & Equipment	2.0% - 50.0%
Gaming Machines	10.0% - 33.0%
Hollywell Facilities	2.0% - 50.0%
Waterfront Facilities	4.0% - 50.0%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

h. Critical Accounting Estimates and Judgments

The committee of management evaluate estimates and judgments in the financial report based on historical knowledge and best available information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

i. Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance sheet date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at their nominal value. Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

j. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

k. Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

l. Financial Instruments

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

FINANCIAL STATEMENTS

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Income Statement.

m. Impairment of Assets

At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Income Statement.

Where the future economic benefits of the asset are not primarily dependent upon on the assets ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

	Note	2008 \$	2007 \$
NOTE 2: REVENUE			
SALES REVENUE			
Liquor		1,644,568	1,684,021
Food		1,997,677	2,135,510
Fuel		1,096,553	1,124,868
Other		35,849	30,830
Total sales revenue		4,774,647	4,975,229
SERVICES REVENUE			
Gaming machines		256,812	312,747
Membership fees		766,874	752,391
Hardstand		966,180	966,426
Ladies Associates		71,242	93,903
Other		201,472	103,215
Total services revenue		2,262,580	2,228,682
RENTAL REVENUE			
Marina		1,924,136	1,666,838
Other		22,145	22,767
Total rental revenue		1,946,281	1,689,605
OTHER REVENUE			
Interest		51,727	45,508
Proceeds on disposal of plant & equipment		20,364	27,273
Total other revenue		72,091	72,781
Total Revenue		9,055,599	8,966,297
NOTE 3: EXPENSES			
COST OF SALES			
Liquor		585,606	625,138
Food		726,905	742,280
Fuel		992,215	977,262
Other		209,110	258,795
Total Cost of Sales		2,513,836	2,603,475
Depreciation of property, plant and equipment		520,248	545,724
Finance costs		175,092	148,978
Employee benefits expense		2,910,106	2,873,002

FINANCIAL STATEMENTS

OTHER EXPENSES

Cleaning	92,806	89,655
Electricity & gas	147,587	124,615
Entertainment	88,117	81,719
Gaming machines	19,418	24,006
Insurance	215,368	194,619
Ladies Associates	51,922	66,509
Magazine costs	61,726	57,102
Equipment hire	37,352	51,750
Consultants	97,624	46,972
Work cover	58,765	48,463
Other	870,512	701,575
Payroll tax	119,049	115,582
Printing & stationery	37,243	61,810
Promotions	53,641	69,864
Rates	106,547	101,820
Remuneration of auditor for audit or review services	16,773	11,500
Rental expense on operating leases	547,181	331,311
Repairs & maintenance	274,784	252,126
Total Other Expenses	2,896,415	2,430,998
Total Expenses	9,015,697	8,602,177

NOTE 4: CASH AND CASH EQUIVALENTS

Cash at bank	521,460	817,313
Cash on hand	35,150	51,838
Total Cash and Cash Equivalents	556,610	869,151

NOTE 5: TRADE AND OTHER RECEIVABLES

Trade receivables	203,541	112,815
Other receivables	20,491	434,898
Total Trade and Other Receivables	224,032	547,713

NOTE 6: INVENTORIES**FINISHED GOODS AT COST**

Stock on hand	181,485	144,009
Total Inventories	181,485	144,009

NOTE 7: OTHER ASSETS**CURRENT**

Prepayments	174,962	200,717
Deferred costs	4,250	4,250
Total Other Current Assets	179,212	204,967

NON CURRENT

Deferred costs	17,710	21,960
Total Other Non Current Assets	17,710	21,960

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

Leasehold improvements (Buildings)	3,346,541	3,318,505
Less accumulated depreciation	238,510	95,339
	3,108,031	3,223,166
Plant & equipment	2,061,759	1,955,222
Less accumulated depreciation	1,244,645	1,114,394
	817,114	840,828
Gaming machines	491,193	491,193
Less accumulated depreciation	481,820	442,102
	9,373	49,091
Hollywell facilities	1,372,052	1,283,060
Less accumulated depreciation	394,136	410,214
	977,916	872,846
Waterfront facilities	10,856,676	7,055,844
Less accumulated depreciation	537,475	310,099
	10,319,201	6,745,745
Work in progress	91,450	216,030
Total Property, Plant and Equipment	15,323,085	11,947,706

In accordance with AASB 1, clause 16, the club elected to measure revalued assets at the date of transition to A-IFRS, being 01 May 2005, at their fair value and use that fair value as their deemed cost at that date.

The club's buildings were revalued at 30 November 2006 by independent valuers, Australia Pacific Valuers Pty Ltd. Valuations were made on the basis of replacement with new value depreciated to reflect the physical deterioration, functional and technological obsolescence, so as to arrive at the "Fair Value" of the asset to the club at the relevant date. The directors adopted the independent valuers "Fair Value" amount, less 10%.

MOVEMENTS IN CARRYING AMOUNTS

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year, are presented as follows:

Leasehold improvements (Buildings)

Balance at the beginning of year	3,223,166	3,458,624
Additions	8,036	63,507
Revaluation	-	3,165,364
Disposals	-	(3,111,142)
Transfer	-	(216,030)
Depreciation expense	(143,171)	(137,157)
Carrying amount at the end of year	3,108,031	3,223,166

Plant & equipment

Balance at the beginning of year	840,828	865,734
Additions	106,537	98,226
Transfer	-	10,170
Depreciation expense	(130,251)	(133,302)
Carrying amount at the end of year	817,114	840,828

Gaming machines

Balance at the beginning of year	49,091	141,335
Depreciation expense	(39,718)	(92,244)
Carrying amount at the end of year	9,373	49,091

Hollywell facilities

Balance at the beginning of year	872,846	372,744
Additions	163,159	60,941
Revaluation	-	807,273
Disposals	(69,803)	(322,077)
Depreciation expense	11,714	(46,035)
Carrying amount at the end of year	977,916	872,846

FINANCIAL STATEMENTS

Waterfront facilities		
Balance at the beginning of year	6,745,745	3,342,272
Additions	3,596,089	300,684
Transfer	204,743	-
Revaluation	-	6,454,001
Disposals	-	(3,177,425)
Depreciation expense	(227,376)	(173,787)
Carrying amount at the end of year	10,319,201	6,745,745

Work in progress		
Balance at the beginning of year	216,030	47,489
Additions	80,163	168,541
Transfer	(204,743)	-
Carrying amount at the end of year	91,450	216,030

NOTE 9: TRADE AND OTHER PAYABLES

SHORT-TERM PAYABLES		
Trade payables	374,937	450,864
Sundry payables	19,428	63,386
GST payable	63,043	58,509
Retention payable	74,048	-
Employee benefits	1i	108,264
Employee on-costs	17,019	19,561
Accrued expenses	58,835	8,000
Prepaid operating marina lease rentals	580,748	213,027
Subscriptions & marina fees in advance	493,383	297,760
Bonds & deposits held	85,630	415,459
Unearned income - marina	257,191	187,143
Unexpensed donation for car park	27,273	27,273
Total Trade and Other Short-term Payables	2,159,799	1,858,463

LONG-TERM PAYABLES		
Bonds held - marina	9,728	9,728
Prepaid operating marina lease rentals	3,600,471	1,011,759
Total Long-term Payables	3,610,199	1,021,487

NOTE 10: BORROWINGS

SHORT-TERM BORROWINGS		
Bank loans secured	79,593	90,563
Total Short-term Borrowings	79,593	90,563

LONG-TERM BORROWINGS		
Bank loans secured	1,484,780	1,548,960
Total Long-term Borrowings	1,484,780	1,548,960

TOTAL SHORT-TERM AND LONG-TERM SECURED BORROWINGS		
Bank loans secured	10a-j	1,564,373
Total Borrowings		1,639,523

- a. The Club has a bank overdraft facility amounting to \$200,000 (2007:\$200,000). At 30 April 2008 this facility was not in use. The facility is due for review by 30 September 2008.
- b. The Club has a commercial bill facility amounting to \$600,000 (2007:\$600,000). At 30 April 2008 this facility was not in use. The facility is due for review by 01 August 2013.
- c. The Club has a commercial bill facility amounting to \$3,200,000 (2007:\$1,400,000). At 30 April 2008, an amount of \$1,800,000 was unused. The facility is due for review by 30 May 2017.
- d. The Club has an equipment finance facility amounting to \$500,000 (2007:\$500,000). At 30 April 2008 this facility was utilised to the amount of \$134,103.

FINANCIAL STATEMENTS

- e. The Club has provided security in the form of a mortgage over Term Lease No: 230946 (Main Beach club house and sea bed leases) to Westpac Banking Corporation.
- f. The Club has provided security in the form of a registered charge over Liquor Licence No.42104073 and Gaming Licence No.953 to Westpac Banking Corporation.
- g. The Club has provided security in the form of a mortgage over Special Lease No: 06/02175 (Hollywell club house) to Westpac Banking Corporation.
- h. The Club has provided security in the form of a bill of sale over furniture, fittings and chattels of the Main Beach club house to Westpac Banking Corporation.
- i. The Club has provided security in the form of a bill of sale over furniture, fittings and chattels of the Hollywell club house to Westpac Banking Corporation.
- j. The Club has provided a guarantee to the Department of Transport to the amount of \$5,000 which is held by the Westpac Banking Corporation.

NOTE 11: PROVISIONS**SHORT-TERM PROVISIONS**

Members draws	4,300	-
Total Short-term Provisions	4,300	-

LONG-TERM PROVISIONS

Employee benefits	19,091	27,229
Employee on-costs	2,998	4,534
Total Long-term Provisions	22,089	31,763
Number of employees at year end	81	79

A provision has been recognised for employee entitlements relating to long service leave for employees, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria for employee benefits has been included in Note 11 to this report.

MOVEMENTS IN PROVISIONS

Balance at the beginning of year	31,763	14,880
Additional provisions raised during year	4,854	21,073
Amounts used	(10,228)	(4,190)
Carrying amount at the end of year	26,389	31,763

NOTE 12: CAPITAL AND LEASING COMMITMENTS**OPERATING LEASE COMMITMENTS**

Non-cancellable operating leases contracted for but not capitalised in the financial statements.

Payable – minimum lease payments:

Not later than 12 months	559,404	579,092
Later than 12 months but not later than 5 years #	916	11,574
	560,320	590,666

The current amount being for lease of premises located at Main Beach, Main Beach Car Park, Hollywell & Swing Moorings and the maintenance agreement for office equipment and the photocopier. The amounts for the lease of premises are calculated on notices for periods ending during 2008.

The non-current operating lease commitments payable after one (1) year in respect to the property leased from the Department of Natural Resources and Gold Coast City Council cannot be determined with any certainty and, therefore, have not been disclosed as the lease amounts increase in line with CPI and periodical land valuations. In 2008, the annual amounts for these leases totalled \$547,181 (2007: \$331,311). The current expiry dates for these leases are as follows:

Main Beach Club House & Marina	20th October 2056
Main Beach Car Park	30th June 2018
Hollywell	30th June 2014
Dux	30th November 2010

Southport Yacht Club Inc acts as lessor of marina berths which it sub-leased to members of the Club for periods up to 15 years. All sub-leases are prepaid and have been recognised as income in advance on the balance sheet which is brought to account as revenue proportionately over the period of the sub-leases.

The expiry dates for these sub-leases are as follows:

- Sub-leases executed between December 1997 and October 1998 expire after 15 years.
- Sub-leases executed between December 2007 and February 2008 expire after 12 years.

To fund the redevelopment of the clubhouse (referred to as phase 3 with an expected cost of \$1,350,000) a further 4 berths will be sub-leased for a 10 or 12 year term with lease payments all made in advance, raising approximately \$1,320,000. These sub-leases are currently being negotiated with prospective lessees.

CAPITAL EXPENDITURE COMMITMENTS CONTRACTED FOR:

Capital expenditure commitments contracted for:

Capital expenditure projects (marina extensions/upgrades)	-	3,600,000
Capital expenditure equipment (sailing boat)	25,000	-
Total Capital Expenditure Commitment	25,000	3,600,000

Payable:

not later than 1 year	25,000	3,600,000
later than 1 year but not later than 5 years	-	-

NOTE 13: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

N Hollier – Bosun’s Locker Chandlery	84,455	100,959
N Thompson – Reward Distribution	20,004	-

NOTE 14: KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the association, directly or indirectly, including any director (whether executive or otherwise) of the association. During the year ended 30 April 2008 these persons were the directors, Sharon Morrish, Joe Goddard, Jan Marchioni, Brian Dawson, Pierre Tujague, Shane Smith and Christopher Broad.

Compensation paid to key management personnel is aggregated for each of the following categories:

Short-term employee benefits	460,824	429,656
Post-employment benefits (superannuation)	41,474	38,669
Total Compensation	502,298	468,325

NOTE 15: EVENTS AFTER THE BALANCE SHEET DATE

No events have occurred subsequent to balance date which require disclosure in this report.

NOTE 16: CONTINGENT LIABILITIES AND ASSETS

There are no contingent liabilities or assets that may become payable or receivable by the Southport Yacht Club Inc requiring disclosure in the financial report.

NOTE 17: RESERVES

SYC Yachting Foundation Reserve

The SYC Yachting Foundation Reserve records funds set aside for the development of sailing for youths with national potential.

Building Fund Reserve

The Building Fund Reserve records funds set aside for the future development of club houses.

Asset Replacement Reserve, General Reserve and Capital Profits Reserve

These Reserves recorded funds set aside for future expansion of the entity. The directors resolved to transfer the amounts to equity during the financial year and continue with only a Building Fund Reserve.

Asset Revaluation Reserve

The Asset Revaluation Reserve records the revaluation of property and the related depreciation, refer Note 1g.

NOTE 18: ASSOCIATION DETAILS

The registered office and principal place of business of the association is:

Southport Yacht Club Inc, Macarthur Parade, Main Beach QLD 4217

NOTE 19: CASH FLOW INFORMATION

A. RECONCILIATION OF CASH

Cash at bank	521,460	817,313
Cash on hand	35,150	51,838
Cash at the end of the financial year	556,610	869,151

B. RECONCILIATION OF CASHFLOW FROM OPERATIONS WITH PROFIT AFTER INCOME TAX

Profit/(Loss) after income tax	39,902	364,120
Non cash flows		
Depreciation	520,248	545,724
Net gain on disposal of property, plant & equipment	(20,364)	(27,273)
Changes in assets and liabilities:		
(Increase)/Decrease in trade and other receivables	323,681	(427,112)
(Increase)/Decrease in inventories	(37,476)	18,749
(Increase)/Decrease in other assets	30,005	430,290
Increase/(Decrease) in trade and other payables	2,890,048	261,378
Increase/(Decrease) in provisions	(5,374)	(60,391)
Net cash generated from (used in) operating activities	3,740,670	1,105,485

NOTE 20: ACCOUNTING ERRORS IN PRIOR PERIODS

The Club identified an error in the 2007 financial report subsequent to its release. In accordance with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors, the comparative amounts shown in this financial report have been restated in order to correct the error.

The error related to the allocation of depreciation on the revalued carrying amount to the Asset Revaluation Reserve. The depreciation expense in Note 3 was understated and the depreciation amount in the Statement of Recognised Income and Expenditure was overstated. Effectively, the error overstated the Profit shown on the Income Statement by an amount of \$83,316 and understated the Reserves shown on the Statement of Recognised Income and Expenditure by the same amount.

There was no impact on Net Assets or Total Equity shown on the Balance Sheet.

NOTE 21: GOING CONCERN

The financial report has been prepared on the going concern basis of accounting. However, given the poor Current Asset Ratio (current assets: current liabilities) of 0.51 to 1.00 as at 30 April 2008 (2007: 0.91 to 1.00) the ability of Southport Yacht Club Inc to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report is contingent on deriving sufficient future operating cash flow surpluses to cover operational, investing and financing requirements.

This matter has arisen due to the recognition of income paid in advance. The income paid in advance which will be realised as revenue in the 2008-2009 financial year will be membership fees of \$406,888, berth fees of \$813,898, swing mooring fees of \$19,500 and boat storage charges of \$88,559. These amounts totalling \$1,328,845 will convert from current liabilities to revenue progressively from 01 May 2008. Furthermore, the Club expects to receive further membership subsequent to 30 April 2008 of approximately \$390,000 and the Board has prepared an operating cash flow budget for the year commencing 01 May 2008 which discloses a positive cash flow of approximately \$498,000 before capital works expenditure. Further, the Southport Yacht Club Inc has at call bank facilities as stated in Note 10a-d.

At the date of this financial report, the Board of the Southport Yacht Club Inc believes they will be able to pay their debts as and when they become due and payable.

NOTE 22: FINANCIAL INSTRUMENTS

A. FINANCIAL RISK MANAGEMENT

The entity's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans from banks. The entity does not have any derivative instruments at 30 April 2008.

i. Treasury Risk Management

The committee meet on a regular basis and consider interest rate exposure and to evaluate cash flow to meet current and future obligations.

ii. Financial risks

The main risks the entity is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. At 30 April 2008 approximately 10.5% (2007: 14.8%) of debt is fixed.

Liquidity risk

The entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Balance Sheet and notes to the financial statements. The entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity.

Price risk

The entity is not exposed to any material commodity price risk.

Foreign currency risk

The entity is not exposed to fluctuations in foreign currencies.

B. INTEREST RATE RISK

The entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate		Non-interest Bearing Total		Total	
	2008 %	2007 %	2008 \$	2007 \$	2008 \$	2007 \$	2008 \$	2007 \$	2008 \$	2007 \$
FINANCIAL ASSETS										
Cash at bank	3.22	3.76	521,460	817,313	-	-	-	-	521,460	817,313
Cash on hand	0.00	0.00	35,150	51,838	-	-	-	-	35,150	51,838
Trade and other receivables	0.00	0.00	-	-	-	-	224,032	547,713	224,032	547,713
Total Financial Assets			556,610	869,151	-	-	224,032	547,713	780,642	1,416,864
FINANCIAL LIABILITIES										
Bank loans secured	6.96	6.60	1,400,000	1,400,000	164,373	239,523	-	-	1,564,373	1,639,523
Trade and other payables	0.00	0.00	-	-	-	-	5,769,998	2,879,950	5,769,998	2,879,950
Total Financial Liabilities			1,400,000	1,400,000	164,373	239,523	5,769,998	2,879,950	7,334,371	4,519,473

C. NET FAIR VALUES

For assets and liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

FINANCIAL STATEMENTS

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date:

	2008 Carrying Amount \$	2008 Net Fair Value \$	2007 Carrying Amount \$	2007 Net Fair Value \$
FINANCIAL ASSETS				
Cash at bank	521,460	521,460	817,313	817,313
Cash on hand	35,150	35,150	51,838	51,838
Trade and other receivables	224,032	224,032	547,713	547,713
	780,642	780,642	1,416,864	1,416,864
FINANCIAL LIABILITIES				
Bank loans secured	1,564,373	1,564,373	1,639,523	1,639,523
Trade and other payables	5,769,998	5,769,998	2,879,950	2,879,950
	7,334,371	7,334,371	4,519,473	4,519,473

Fair values are materially in line with carrying values. No discount rate has been applied to any non-current borrowing to determine fair value.

NOTE 23: ACCOUNTING STANDARDS ADOPTED

During the financial year the following accounting standards became effective:

AASB 2005–10 Amendments to Australian Accounting Standards	AASB 1	First-time adoption of AIFRS	The disclosure requirements of AASB 132: Financial Instruments: Disclosure and Presentation have been replaced due to the issuing of AASB 7: Financial Instruments: Disclosures in August 2005. These amendments involved changes to financial instrument disclosures within the financial report. There was no direct impact on amounts included in the financial report as it is a disclosure standard.
	AASB 101	Presentation of Financial Statements	
	AASB 117	Leases	
	AASB 139	Financial Instruments: Recognition and Measurement	
AASB 7 Financial Instruments: Disclosures	AASB 132	Financial Instruments: Disclosure and Presentation	



NOTE 24: NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

At the date of authorisation for issue of this report, the Australian Accounting Standards Board has made new or amended Australian Accounting Standards and Interpretations that will be effective for periods commencing after the date of this financial report. No standards have been adopted early. The standards which are expected to be applied in the period they become mandatory, are:

Affected Standard	Standards Causing Change:	Must be Applied to Periods Commencing:	Expected Impact:
AASB 8 Operating Segments	AASB 8, AASB 2007-3	1-Jan-09	a
AASB 123 Borrowing Costs	AASB 123, AASB 2007-6	1-Jan-09	a
AASB 3 Business Combinations (2008)	AASB 3	1-Jul-09	b
AASB 127 Consolidated and Separate Financial Statements	AASB 127, AASB 2008-3	1-Jan-09	b
AASB 101 Presentation of Financial Statements	AASB 101, AASB 2007-8	1-Jan-09	c
AASB 1004 Contributions (revised)	AASB 1004	1-Jul-08	a
AASB 1048 Interpretation and Application of Accounting Standards (September 2007)	AASB 1048	1-Jul-08	b
AASB 1049 Whole of Government and General Government Sector Financial Reporting	AASB 1049	1-Jul-08	b
AASB 1050 Administered Items	AASB 1050	1-Jul-08	b
AASB 1051 Land Under Roads	AASB 1051	1-Jul-08	b
AASB 1052 Disaggregated Disclosures	AASB 1052	1-Jul-08	b
Amendments to Australian Accounting Standards arising from the Review of AASs 27, 29 and 31	AASB 2007-9	1-Jul-08	b
AASB 2 Share-based payment (amendments for Vesting Conditions and Cancellations)	AASB 2008-1	1-Jan-09	b
Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation [AASB 7, AASB 101, AASB 132, AASB 139 & Interpretation 2]	AASB 2008-2	1-Jan-09	b
Interpretation 12 Service Concession Arrangements	Interpretation 12	1-Jan-08	b
Interpretation 13 Customer Loyalty Programmes	Interpretation 13	1-Jul-08	b
Interpretation 14 AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	Interpretation 14	1-Jan-08	b
Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities (revised)	Interpretation 1038	1-Jul-08	b

Expected Impact:

- a. Statement primarily amends the disclosures that will be provided and should not impact reported financial results or position.
- b. Statement addresses material that is not relevant to Southport Yacht Club Inc.
- c. Statement will bring presentation distinctions between comprehensive income and changes in equity. Although other presentation changes will occur, no change to reported financial results or position are expected.

DECLARATION BY MEMBERS OF THE COMMITTEE

The Members of the Committee declare that the financial report, comprising of Income Statement, Statement of Recognised Income and Expenditure, Balance Sheet, Cash Flow Statement and Notes to the Financial Statements:

1. Presents a true and fair view of the financial position of Southport Yacht Club Inc as at 30 April 2008 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that Southport Yacht Club Inc will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

Chairman 
Mr D O'Neill

Commodore 
Mr N Hollier

Dated this 16th day of June 2008



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CLUB AND ALLIANCE
 AUDIT SERVICES

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF SOUTHPORT YACHT CLUB INC

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of Southport Yacht Club Inc (the association) which comprises the balance sheet as at 30 April 2008 and the income statement, statement of recognised income and expenditure and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the declaration by members of the committee.

Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Associations Incorporation Act Queensland 1981. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial report of Southport Yacht Club Inc is in accordance with the Associations Incorporation Act Queensland 1981 including:

- i. giving a true and fair view of the Association's financial position as at 30 April 2008 and of their performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Associations Incorporation Act Queensland 1981.

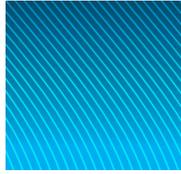


IAN W BARFOOT

Registered Company Auditor No. 219262

Dated this 16th day of June 2008

NOTES



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Yachting with the Community since 1946



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