

**SOUTHPORT YACHT CLUB INC.**  
**ANNUAL GENERAL MEETING 22 JULY 2019**  
**CLUB PREMISES, MACARTHUR PARADE, MAIN BEACH AT 6PM**



<b>PRESENT :</b>	Scott Siganto Ray McMahon Garry Edwards Drew Jones Ken Tregheagle Phil Short Chris Oxenford Phil Short	Chairman Commodore Treasurer Vice Commodore Sail Vice Commodore Power Board Member Board Member Board Member
<b>MEMBERS:</b>	as per attendance book	
<b>APOLOGIES:</b>	as per attendance book Bill Clayton	
<b>IN ATTENDANCE:</b>	Erin Shepherd Sophia Jin Ian Barfoot	Administration Manager Senior Accountant Auditor (also a Member)

The Commodore declares the meeting open at 6.00pm and welcomes all present to the 73<sup>rd</sup> AGM and hands to Chairman.

Chairman asks if all have signed the attendance book. All attending Members confirmed "Yes".

Chairman asks if all attending are financial voting members. All attending Members confirmed "Yes".

Apologies are as per the attendance book. Chairman asks if there are any additional apologies.

**Chairman's Address:**

I am pleased to be able to present my report this year just at the time some of our Club's potential projects have been incorporated into the recently approved Spit Master Plan.

Board and Management have worked hard over a number of years, and are now closer to securing additional land, and pursuing opportunities available to us within the Spit Master Plan, including increased berths, boat racking and a super yacht berth. Although the super yacht berth has received the most publicity recently it is our intention to investigate and evaluate all the possible opportunities. Considerations will include the regulatory approval times required, availability of funding from grants etc., financial viability and of course, members approvals.

It has taken the last three years of constant meetings with the Mayor, multiple Government Departments and Ministers, local Councilors, Committees and planning groups to promote our vision for the Club and our members. The process has been lengthy and still has a long way to go but the approval of the Spit Master Plan is a very significant step.

These projects are certainly going to require additional support and funding from outside of Southport Yacht Club and will not happen simultaneously, as such we have been seeking to secure financial assistance from interested parties like Gold Coast City Council, Qld Tourism, and State Government.

From here we need to keep the pressure on the Government departments to follow through on the promises, we can ensure this by promoting our project and plans ensuring it is in the media spotlight throughout the process.

Next on the agenda will be negotiating long term leases over additional land required to complete the proposed projects, and expand the Club's footprint. The Finance committee and General Manager, Brett James, have been preparing preliminary financial analysis to present to the Waterfront Committee, Finance Committee, and Board for approval in principle to continue to pursue these projects subject to suitable terms, funding and the necessary approvals. If and when the projects

approach a viable point they will be presented to the members for consideration. Meanwhile if you have any questions regarding the proposed projects I am happy to discuss them but there are still significant number of matters to be resolved before we reach a definitive position on the proposed projects.

What we do have in place at the moment are two projects which we hope to complete within the coming months. They are the strengthening of the T head at the end of D arm to accommodate heavier super yachts which we have had to turn away up until now and the extension of the eastern deck and covers to both the east and west. The eastern extension will provide an exciting upgrade for more casual enjoyment with weather protection and enhanced food and beverage service. The extension of the western deck cover will make it more comfortable in the summer (including installation of fans) and provide shade over the children's playground.

The other major advance this year has seen the Oxenford facility get operational and provide a wonderful safe sail training alternative which is already reaching previously untapped school student interest and funneling new junior sailors into further development at Hollywell.

Its exciting developments like these that keep our Club strong, and enable us to deliver more to our existing membership and work towards increasing active membership. Management and Board are always looking for partnerships, and benefits, that will add value and interest to our membership.

Financial future proofing through investment in securing additional land, and working on ongoing projects, we aim to compliment, and strengthen, what the Club stands for, our mission and vision statements, along with growth and giving back to our members.

I'd like to take this opportunity to thank everyone involved with our Club, not only our amazing SYC staff, but our Members and Volunteers who enjoy everything our Club has to offer, and help us keep the Club on track.

The welcoming feeling and friendly smiles you get when you attend any of our four venues is a real credit to all those working day to day within the business, without you all we wouldn't be in the exciting position of growth and development that we see now.

**Minutes of the Annual General Meeting held on 30 July 2018 were received in their existing form.**

Moved: Scott Siganto  
Seconded: Rob Mundle (917)  
Carried by a show of hands. All in favour.

**Matters Arising from the Minutes**

Nil

**Chairman moves that the minutes of the Annual General Meeting held on 30 July 2018 be adopted as a true record of the meeting.**

Moved: Scott Siganto  
Seconded: Gary Doornbos (5121)  
I declare the motion carried on a show of hands. All in favour.

Chairman calls for Treasurer Garry Edwards to move receipt of the Annual Report & Financial Statements.

**Treasurer calls to receive the Annual Report, together with the Financial Statements for the 12 months ending 30<sup>th</sup> April 2019 and Balance Sheet as at that date**

Moved: Garry Edwards  
Seconded: Barry Peachey (15)  
I declare the motion carried on a show of hands. Majority in favor.

## **Treasurer's Report presented by Garry Edwards**

### **Results:**

After six consecutive years of increases in revenue and pre-depreciation profit our profit was slightly lower this year despite a significant increase in revenue from \$12.6million to \$13.9million. While we would have liked to make the same or more than last year, I am well pleased with the result when it is looked at in the context of some changes which have impacted the bottom line.

Pre-depreciation profit was \$44,000 (2.4%) lower and net profit after depreciation was \$82,000 (9.1%) lower. The increases in revenue were primarily in:

- Fuel (\$580,000), however much of that was bunkering and fuel profit only increased \$35,000
- Food and beverage (\$420,000), where profit was unchanged

Overhead costs increased by \$88,000 in part because we created an Assistant Manager position to prepare for future growth.

The net cost of operating the Oxenford facility which came online this year was \$58,000, most of which related to the café where establishing the market and refining costs took longer than anticipated. Delays by the Council in granting permits also meant that sub-letting of storage to other aquatic users did not start until the end of the year. Oxenford is forecast to break even next year. The very positive outcomes are that, even with the café loss, the combined cost of operating Hollywell, Sailing and Oxenford departments, at \$295,000 was \$23,000 better than the previous year. We also have an alternate safe sail training area with huge potential to induct new young participants into the sport and our Club.

### **Our Legacy:**

When talking about our results I think it's important to remind ourselves of the great legacy we have in the Club. We would not be making nearly \$2million profit before depreciation except for the base that dedicated members have created for us, both financially and our standing within the Gold Coast community and the wider aquatic community. For me this provides incentive as well as an obligation to make the most of what we have and not be complacent about seeking out opportunities which will strengthen and serve the Club and members well into the future.

### **Management Team:**

General Manager, Brett James, the whole management team and all staff have contributed to what is a very strong result. They have demonstrated a willing commitment to taking on new challenges and striving to deliver good outcomes for members in all facets of the Club's activities.

### **Financial Position:**

The Club's balance sheet continues to improve as a result of profitable operation and because the amount of long term berth lease income received in advance has reduced annually and that amount shows up in the balance sheet liabilities. Total cash is \$3.3million.

### **Funds for Marina Repairs and Future Development:**

We now have a total of \$2.6million set aside for major Marina repairs, and developments in future years, including \$710,000 from this year's results. Current estimates indicate \$5million could be required for upgrades to the marina by 2025, although this estimate is currently being reassessed by the Waterfront Committee.

Extension of the decking and covers east and west of the Club will likely be funded from the Building Fund at a cost of \$450,000 and the \$300,000 to strengthen D arm is likely to come from the Future Development Fund.

There are also other projects such as dry storage racking and a new super yacht berth, both of which appear in the Spit Master Plan, we may be able to undertake. Therefore, adding to the funds each year is extremely important.

The 2019/2020 year will see a large portion of sub-let berths return to the Club. This will not increase reported profit and may even reduce it as berth income will not be guaranteed, however the 'non-cash' income recorded annually from historical fees on those sub leases will decrease from \$620,000 to \$280,000. In other words, if those berths remain fully occupied we could expect to generate \$340,000 extra cash from the same reported profit. That will boost the amount which can be added to the future funds.

### **Future Financial Performance:**

We have set a budget for an increase in net profit of approximately 4.5% for 2019/2020. I believe we need to continue to examine new profit opportunities because relying on growth in some of our existing labour-intensive or low-margin areas will not take us to a new level.

In closing, I would like to extend my thanks to the members of the Finance committee for their time and Club knowledge as well as the other Directors who attended many of the Finance Meetings. I would also like to thank management and staff, particular Sophia Jin for their assistance to the committee in performing our finance monitoring function and to the members for their support and patronage of the Club.

### **Matters Arising from the Treasurers Report**

Neville Ferguson (4085) Scott Siganto	Explain how the Club will pay for the \$8million super yacht berth? This is unknown at this stage, currently it is projected as the view of the Spit Master Plan and as such the first stage is approvals. Then the return on investments, plus we are looking at grants and funding to come into it. Then we will do the modelling, and present to members.
Garry Edwards	SYC will be contributing around \$3million, based on the verbal contributions from GCCC and State Government.
Neville Ferguson (4085) Garry Edwards	Will we have sufficient money for boat stacking after this? These items are all dependent on the length of lease we can obtain, grants and backing from Government, etc. but boat stacking is close to my heart as I feel it will introduce a younger membership.
Capt. Paul Matthews (1037) Garry Edwards	What are the tax implications for having the super yacht berths? The Club doesn't pay tax, we have been very open with all departments on how this works, whereby all berth holders must be Gold members etc. and this applies to super yachts as well, I don't foresee any tax implications.

### **Treasurer moves that the Annual Report and Financial Statements be adopted.**

Moved: Garry Edwards  
Seconded: Gary Doornbos (5121)  
I declare the motion carried on a show of hands. Majority in favor.

### **General Business**

Chairman calls for any General Business from the floor.

No questions or comments.

### **Declaration of Election of Board Members for 2019 / 2020**

Commodore thanks the outgoing Board Members Chairman Scott Siganto, Vice Commodore Power Ken Tregeagle, Director Phil Short, and Chris Oxenford and requests they step down from the table. As Chairman Scott Siganto, and VC Power Ken Tregeagle stood unopposed Commodore requests they stay seated and welcomes them back for another term.

Special thanks and appreciation goes to Director Phil Short as he did not run for another term. Phil will still be involved with our Volunteers and other activities however we think him for his time on the Board.

Commodore reads the results of the election, and declares the following members elected to the Board:

Board Member	Chris Oxenford
Board Member	Kerry Noyes

Commodore welcomes all to the table and congratulates them on their positions on the Board, hands back to Chairman.

Motion:

In accordance with the Constitution I now move that the Ballot papers shall be destroyed

Moved: Scott Siganto                      Seconded: Barry Peachey (15)

I declare the motion carried on a show of hands. Majority in favor.

### **Election of Auditor for 2019 / 2020**

#### **Chairman moves that Ian Barfoot of Clubs and Alliance Audit Services, be appointed as the Club's Auditor for the year 2019 / 2020**

Moved:    Scott Siganto

Seconded:                                      Ian Hall (9190)

I declare the motion carried on a show of hands. Majority in favor.

Chairman declares the Annual General Meeting closed at 6.28pm and hands over to Commodore, Ray McMahon.

Confirmed as a true and correct record

Commodore Ray McMahon, takes this opportunity to thank everyone for their attendance, and welcomes the new Board for the year, then declares the Fergie Melrose bar open and invites all for a drink on the Club.

Confirmed as a true and correct record

**Scott Siganto**  
**Chairman**