

NEWCASTLE CRUISING YACHT CLUB LIMITED
A.B.N. 72 064 201 029
14th ANNUAL REPORT
(A club limited by guarantee not having Share Capital)
COMMODORES REPORT



The last financial period has certainly been a time of change for the Club. We were all touched by the great sadness of the passing of George Keegan and through a number of Functions attempted to underscore the great contribution he made to the Club and to the wider community. I, as I am sure have others, felt a certain responsibility to carry on and consolidate the foundations and vision, George provided.

We saw the completion of the licensed Club and having regard to the compromised nature of the design, which came about as a result of circumstances beyond our control, the outcome has been very pleasing and has been widely praised as to its functionality and aesthetic appeal. The Board in the past has been quite comfortable adopting the role of developer and landlord and moved with some trepidation into the role of business operator. However thanks to the tireless efforts of our dedicated staff, in particular our CEO Roy Baker, the business is gradually working through that difficult initial period and is now looking forward to taking advantage of a number of quite exciting initiatives in the near future. Included in this is the proposed marquee and the deliberate move into the functions market. The Board and Roy are however always mindful of the difficult balance which needs to be struck between the desire to advance the financial position of the Club and at the same time always seeking to cater to the needs of the owners and main stakeholders in the Club namely, the members.

There have been a number of changes to the Board including the standing down of Paul Hannan, our founding Commodore. Paul has been made well aware of the profound thanks the members have given for his great contribution. I, of course assumed the role of Commodore and Paul Gleeson that of Rear Commodore. Tony Lobb took on the role of additional Director and Ernie Thirkel, that of Club Captain. There has been an election for the position of Vice Commodore and I have known both candidates for many years and have great faith in both. I look forward to working with the candidate selected by the membership to fulfil the role. I believe the accumulated business experience which is reflected across your Board, would be envied by any business in Newcastle.

Whilst I will largely leave comments on the financial accounts to the Treasurer, suffice it to say that I believe them to reflect a creditable result having regard to strain on cash flow and the many other difficulties, any business experiences in a start-up operation. This is particularly so when one takes into account the distortion provided by the counterbalancing of depreciation and the amortization of Marina sales. The anticipated contribution from poker machine takings, is clearly absent and I have attempted to set out in the last newsletter the situation regarding this. That is not to say that we have closed the door, by any means, on poker machines, but rather that we await the outcome of the clarification of the Department's position in respect of new licenses. It is clear that the construction of the Clubhouse and the commencement of the associated business, has ravaged last year's financial result, however it was always going to require the accumulated commitment of all of our various profit centres to build the Clubhouse which the Board has always regarded as a core commitment to the membership.

Starting a new business is always difficult and it is rarely successful without the dedicated commitment of key personnel. I would therefore like to acknowledge the outstanding contribution of our staff without which this result would not have been possible. I would also like to thank our Sailing Secretary Dianne. For her wonderful voluntary contribution to our core business, that being sailing and racing.

Now that the premises are constructed and business commenced, it is time to turn a greater level of attention to what I describe as our core business. Tony Purkiss and his Round the Island Race has made a great start in this direction and we wish him well with his planning of this event. However I believe it is time to start to commit energy to the conduct of high-profile, highly sponsored regatta events for next year and I will be urging the sailing committee in this direction as such events have the benefit of increasing the sailing and also the sailing prestige, of the Club, not to mention associated revenue.

Therefore I believe we have made a promising start but emphasize much work still needs to be done to consolidate the Clubs position so as to secure the future and to deliver the Club utility the membership deserves.

Bruce Hansen,
Commodore

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HONORARY TREASURERS REPORT



The financial year ended 31st March 2009 resulted in a profit of \$58,703 compared to \$221,628 for the year ended 2008 and \$239,777 year ended 2007.

Whilst this might seem like a disappointing result it has to be remembered that operating expenses like wages, interest and depreciation have increased. If we were to strip these out our result would be in line with previous years. However, we now enjoy the benefit of a first class marina and club house. Our licensed club has traded for just on four months and to date has delivered a net loss of \$30,001. A remarkably good result all things considered. We have yet to operate over a whole business cycle so it is too soon to pass reasoned comment on this performance.

One thing which may impact the clubs revenue is the boards unanimous decision to abandon the pursuit of poker machine licensing. It was decided that we could replace the potential lost revenue through the purchase of a marquee. It was felt that we might expand revenue opportunities and at the same time deliver a positive social impact. A marquee would also give us scope to enhance the benefits of membership by enabling us to host our own ever growing functions, as well as those of others. To date we have approximately 1,000 members.

Our club generates revenue, and therefore member benefits, from three profit centres; commercial tenancies, marina facilities and licensed club activities. These assets all contribute to the club's financial performance. Our commercial spaces are all fully let. We have no more marina pens for long term rent. As these marina pens come up for re-lease we will re-lease some of them in order to be in a position to sink debt and therefore put NCYC at the forefront of yachting and boating clubs in Australia.

It is not possible to overstate the value of the contribution made to the success of this club by our recently resigned Commodore Paul Hannan, current Vice Commodore Tom Michilis and our immediate past club captain George Keegan.

STEVEN JONES
Hon Treasurer.

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VICE COMMODORES REPORT



Our long awaited clubhouse is finally built. As you are aware we have been battling the authorities for some 3 years for the approval to build. It was almost a daily routine for George Keegan or myself to ring the Department of Planning chasing our DA.

The saddest part of it all, 2 weeks prior to the opening of our clubhouse our Founder, Secretary, Joint Manager and Mentor George Keegan passed away on the 25th November 2008. He never got to see his project complete. It was fitting that the club doors opened for the members for the first time on Georges wake. He is sadly missed.

The attendance by members and their guests at the club is gratifying as is reflected in the trading figures.

Roy Baker and his team are doing a fantastic job.

The Marina, under the leadership of our Dockmaster Paul Booth and the office staff is the core of our business. We have 62 powerboats and 52 sailing yachts currently on long term leases plus the casual visitors.

Thank you Paul for a job well done.

The Commercial office space is fully taken up with good rental returns plus of course the shipyard.

Our business plan is working as predicted and should see us through any tough times that may lie ahead, provided of course the Board maintains its level head and doesn't become complacent in the future.

To Vicki Morris our Office Manager, Margaret, Simone, my sincere thanks for your loyalty to the club and all the hard work you have done in the last 12 months.

A handwritten signature in black ink, appearing to read "Tom Michilis".

TOM MICHILIS
Vice Commodore

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REAR COMMODORES REPORT



The 2008/9 sailing season has been another successful year with our fleets slowly increasing in most areas. Our combined fleet now numbers almost 20 boats competing each week through the summer series.

We have also been well represented at major events such as the Sydney Hobart, Sydney Coffs Harbour and Geelong Race Week races.

Additionally we have become a destination of choice for such races as the CYCA Sydney Newcastle (via Crowdy Head) race as well as the feeder races for the Port Stephens Regatta. This is at least partly due to the opening of our licensed clubhouse which has proved to be a great hit with visiting crews who have responded enthusiastically (as indicated by the bar trade!). This also helps us to form closer relationships with the other yacht clubs on the East coast. Our tradition of welcoming visitors with the Inner Circle Rum Runners has become legend up & down the coast.

Tony Purkiss and his loyal band are working tirelessly towards the inaugural Butlers Newcastle Round Lord Howe Island race proposed for 9th May next year. This will be the longest race in the Australian calendar and promises to be an exciting event for competitors and spectators alike. Anyone not looking for a job would be well advised to steer clear of Tony over the next few months.

The Sailing Committee is also in the early stages of organising an Etchells regatta for Easter next year. It is proposed to run a series of races in Stockton Bight from Good Friday (2nd April 2010) through to Easter Sunday.

The main focus of the Sailing Committee, however, remains on maintaining and improving the standard of our club racing. This results in improving the standard of sailing as well as attracting more yachts to join our fleet. To this end, Roy Baker, our CEO, will be taking an active role in race organisation in the new season. We have also acquired the good ship "Wombat" as a course laying vessel. Under the watchful eye of Club Captain Ernie Thirkell, the enthusiastic crew are providing great service to the fleet as well as some spectacular photographic records of the highs and lows of our racing.

Thank you to all our sponsors without whom we would find life very difficult. The Sailing Committee also deserves our gratitude for what is often a thankless task – the amount of work required behind the scenes of race organisation is, at the very least, daunting.

Lastly a special thank you to Dianne and Ted who put in so much time in starting & finishing our races and also to Mark Richards who, as handicapper, needs to endure the emotional ups & downs of being reviled one minute to being everybody's mate the next!

Paul Gleeson

Rear Commodore