



MIDDLE HARBOUR YACHT CLUB

ANNUAL REPORT 2024/2025

A background image showing a person's hands holding a red and white pennant flag on a boat deck. The image is slightly blurred and has a blue tint. The text is overlaid on the left side of the image.

OUR VISION

To create a Club that has a sustainable future, is financially strong and is the destination of choice for members and guests both on and off the water.

OUR MISSION

Capitalise on the Club's unique location and its core commitment to sailing and boating to encourage greater member and guest patronage.

Continue to provide and improve the marina and clubhouse facilities and associated hospitality and community based services to promote an inclusive environment and increase the participation of members and guests in all facets of the Club's activities.



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DIRECTORS, OFFICERS AND MANAGEMENT

BOARD OF DIRECTORS

The Directors of the company at the date of this report are:

Neil Drabsch	Chairman
Robin Aldis	Commodore
Peter Lewis	
Patrick Delany	
Tracy Richardson	<i>(Appointed 28 June 2023)</i>
Jack Stening	<i>(Appointed 11 December 2024)</i>
Robert Carr	<i>(Appointed 20 February 2025)</i>

FLAG OFFICERS

Robin Aldis	Commodore
Mitch White	Vice Commodore Racing
Susanna Westling	Vice Commodore Cruising
Sebastian Hultin	Vice Commodore Youth Sailing
Bryan Moore	Club Captain

MANAGEMENT

Andrew Forbes	CEO/Club Secretary
Bruce Aitken	Finance Manager/Company Secretary
David Staley	Sailing Manager

COMPANY DETAILS

Middle Harbour Yacht Club Limited
(A Company limited by guarantee)
ACN 000 248 877; ABN 95 000 248 877
Lower Parriwi Road, Mosman NSW 2088
Phone: 02 9969 1244 | Web: www.mhyc.com.au

AUDITORS

PKF Chartered Accountants
Level 8, 1 O'Connell Street Sydney NSW 2000

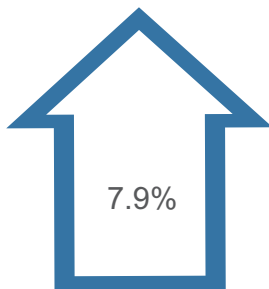


FINANCIAL HIGHLIGHTS

\$'000's

REVENUE

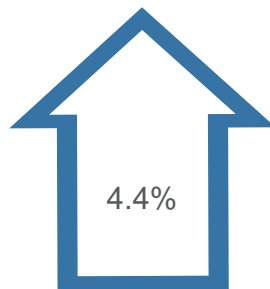
\$3,486



(2024: \$3,230)

OPERATING EXPENSES *

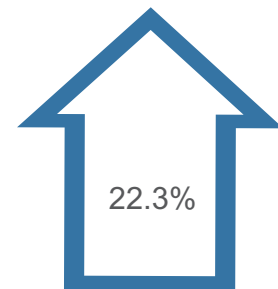
\$2,698



(2024: \$2,585)

OPERATING PROFIT * Before Interest and Depreciation

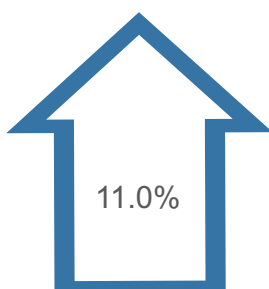
\$789



(2024: \$645)

BORROWING EXPENSE

\$262



(2024: \$236)

DEBENTURE DEBT

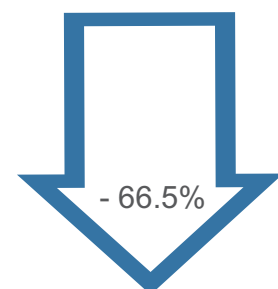
\$4,905



(2024: \$4,920)

NET PROFIT/(LOSS) *

- \$48



(2024: - \$144)

* Excludes the impact of accounting for lease expense under AASB16.



CHAIRMAN'S REPORT

NEIL DRABSCH

On behalf of the board I am pleased to present our 2025 annual report. We have made steady progress during the 2024/25 financial year achieving a solid financial result as well as progressing our plans and work to improve the Club buildings, surrounds and services.

Our main objective during the year was to capitalise on the substantial investment in work to upgrade the Harbourview room, kitchen and new member's lounge. We encouraged greater use of the club facilities and improved functionality and service ensuring our staff and style of management was complementary to achieve this outcome. The beachfront area and our unique location is a great asset and we continued to further invest in this area, securing and renovating the area vacated by the previous Kayak tenants for club use and generally improving the beachfront appearance.

It was pleasing to see greater member and guest participation in our regular sailing events and post sailing social activities. In the Sydney basin, the MHYC is recognised as the premier inshore sailing club providing quality professionally managed annual Regattas, charity days and Twilight events. Many thanks to the skippers, crew and volunteers that are committed to make these events so memorable. A special thanks to management who have done a great job in organising these events as well as providing a hospitable, inviting atmosphere with quality food and bar service post events.

Total revenue from operations was \$3.39 million up 6.6% from \$3.18 million last and ahead of budget mainly due to higher marina income, commercial rental and members donations through the MHYC Foundation. Core membership numbers remained stable at around 800 members. Expenses were generally in line with the budget at \$2.67 million up 4.2% although due to planned works we incurred additional costs for repairs and maintenance and higher insurance expense, consistent with other businesses.

We achieved a pleasing increase in profit before depreciation of \$621k up from \$501k last year and cash flow from operating activities continued to grow, well up on the previous year at \$812k. The cost for major capital works was lower than planned mainly due to delays in securing contractors to complete works on the marina, rigging deck and buildings leaving sufficient cash at bank at year end that will help support planned major works in the year ahead.

The debenture debt program remains well supported by members with the total debt outstanding similar to the previous year at \$4.9 million. This is in line with the board's moratorium on debt reduction until the major works program, which commenced in

2021 is complete. With expected lower major works costs and improving cash flow from our stable business units, the board has approved the commencement of a debt reduction program in next year's budget. The cost of interest on the debenture debt during the year was \$252k.

The board is supported by a number of committees focussed on governance and overseeing the business and operations covering the marina, sailing activities, finance and risk and administration. Our thanks go to the many committee members who provide experienced and dedicated service, offering many hours of their time to support management and the board.

A special thanks to Jack Stening, a long-term member, previous board member and Club Captain, active sailor and member of several committees who kindly accepted a short term role as a board member to fill a board vacancy following the passing of Phil Clinton. Phil was associated with the Club for over 60 years, active in all aspects of sailing and a board member. Phil's deep commitment to sailing and his extensive contributions to the club for more than five decades has left an enduring legacy. During the year we also appointed a new director Rob Carr. We look forward to working with Rob who is an active sailor and member of MHYC for over 20 years offering his considerable experience in business as a civil engineer and property development.

The Club is in the next phase of building on the considerable investment in the major works undertaken over recent years to renovate and modernise the Club buildings and facilities. Further investment is planned to upgrade our equipment and support vessels as well as complete some of the major works to the rigging deck, outside showers and toilets, and further develop the beachfront members area. We also intend to strengthen security and limit access to the Club's property by non-members.

In the year ahead our focus is to encourage greater member and guest participation in Club activities through our quality and varied, professionally organised sailing events as well as supporting social events and activities that meet the diverse needs of our members. We plan to offer members a new reduced sailing fee package to better align with fees charged by other club's, which we hope will encourage greater participation in our regular sailing program.

We are grateful and appreciate the hard work and dedication of our CEO Andrew Forbes and his small group of experienced staff. Thank you to all the board members and Flag officers for their commitment and service during the year who have volunteered many hours of work in overseeing and assisting management in the affairs of the Club. Our gratitude to all members for their continuing support and best wishes for the year ahead.



COMMODORE'S REPORT

ROB ALDIS

I am once again delighted to present my report as Commodore of Middle Harbour Yacht Club and to extend my sincere thanks to all members, sailors, volunteers, and staff whose contributions have made the past year both successful and enjoyable. A special acknowledgement and thanks goes to Andy Forbes and David Staley for their leadership of the Club's management and sailing teams.

From a racing perspective, this season mirrored last year's in many ways. While our race program remains well contested, fleet numbers for regular weekend racing continue to be modest. However, the Thursday Twilight Series, Wednesday racing, and feature events continue to attract strong participation and engagement.

The Combined Clubs program continues to provide the opportunity to race in larger and more competitive fleets. There is a strong desire for further development of the Combined Clubs program, both during the regular sailing season and throughout the winter months.

It has also been encouraging to see strong participation in women's events, both at MHYC and through the Combined Clubs race program. The new Sunday Series, jointly operated with Manly Yacht Club, attracted reasonable participation, and we encourage members who prefer Sunday racing to continue supporting this initiative as it grows.

The Sydney Harbour Regatta, once again generously sponsored by Nautilus Marine Insurance, was another resounding success. Special thanks go to Past Commodore Ian Box for his leadership as Regatta Chairman, and to all participating Sydney Harbour clubs for their cooperation and support. The SHR is an excellent example of what can be achieved when clubs work together to encourage and promote competitive yacht racing on our harbour.



It is hoped that this approach of yacht clubs combining their activities will encourage more yachts to participate in joint racing in the future to ensure larger and more competitive race fleets, particularly for weekend racing.

As we have seen in past years, the North Queensland and Port Stephens Regatta's saw outstanding representation from MHYC yachts and crews at both, with several of our yachts achieving podium positions in respective divisions. Special mention to David Hamilton's Seeking Alpha achieving first place in Division 1 for both PHS and ORC and John de Meur's Elysium secured first in the Non-Spinnaker Division of the Commodores Cup at Sail Port Stephens. Gordon Ketelbey's Zen took out first place in Division 2 of the NSW IRC Championships at Sail Port Stephens. These are just some of the results that reflect the strength and competitiveness of our racing fleet at major regattas.

The Board remains committed on improving Club facilities for members and guests. A key part of these changes is a proposal to secure our main entrance, which aims to better control who enters the Club, ensuring a safer environment for both members and their guests. In conjunction with this, we're also upgrading our lower-level facilities. Once these improvements are complete, access to these areas will be restricted and managed through a new electronic member access system allowing us to maintain a more controlled and secure environment.

I would like to extend my appreciation to the Flag Officers who have provided great support throughout the year. Mitch White has continued to serve actively as Vice Commodore Racing. Gerald Nicolls has taken on the Vice Commodore Cruising portfolio and Sebastian Hutlin continues his work as Vice Commodore Youth Sailing. Bryan Moore, as Club Captain is working towards increasing the number of social events hosted by the Club in the coming year. I look forward to working closely with them all to continue developing both the sailing and social environment at MHYC.

Our sailing and club activities would not be possible without the hard work and dedication of our volunteers, the race management team, sailing office, marina and club staff. A huge thank you to them all for their continued contribution and effort, often in difficult circumstances, successfully and safely managing the many races and regattas held by the club.

Yours in sailing
Rob Aldis
Commodore



CEO REPORT

ANDREW FORBES

The 2024/25 sailing year has been a rewarding and energising period for MHC, marked by strong participation across all areas of the Club's operations and a noticeable uplift in member engagement, event attendance, and financial performance. With no major disruptions to facilities or services this year, the Club has been able to focus on delivering a better-quality member experience both on and off the water.

Sailing has remained at the heart of the club's identity, and the past year delivered a full, diverse, and well-supported calendar of racing, training, cruising and regatta events. Our midweek racing programs remained as popular as ever, with consistent fleets and strong competition evident on Wednesday, Thursday, and Friday afternoons. Of note was the success of the Twilight Pursuit Series, which drew excellent numbers throughout daylight saving months and created a great vibe, both on the water and back at the Club.

The Harbourview Room has once again proven itself a vital asset in this regard. It has truly reclaimed its role as a gathering place post-sailing, with a welcoming atmosphere, improved hospitality service, and increased patronage. The positive energy after racing has contributed significantly to revitalising the social culture at MHC. The connection between our sailing program and social activity is gathering pace and will remain central to the experience we want to provide to our members and their guests.

The Club hosted a wide range of racing activities over the past year, including our weekend pointscore series, feature events such as the ever-popular Chaos Cup, and major regattas including the 20th edition of the Nautilus Marine Sydney Harbour Regatta and the Sydney Short Ocean Racing Championship. These events were well attended, well managed, and delivered to a high standard thanks to the professionalism of our sailing office, the support of our volunteers, and the cooperation of our partner clubs. The 2025 Sydney Harbour Regatta was a milestone event with 153 keelboats competing across six course areas and nearly 1,000 sailors participating, a fitting celebration of two decades of this flagship regatta.

Junior and youth sailing also continued to thrive, with increased family presence around the Club and particularly down at the beach. The beach area remains a key drawcard for young families on weekends, providing an accessible, welcoming environment that encourages long-term engagement with the Club. We are seeing more children, more parents, and more future sailors enjoying the Club's facilities in a way that bodes well for our long-term future.

Equally important to the Club's mission has been our continued commitment to supporting the broader community through charity and corporate regattas. Over the past season, MHC hosted five charity and corporate events, along with the Make-A-Wish Cruise organised by the Cruising Division. These events were well received by participants and successfully raised significant funds for their respective causes. Our boat owners and skippers once again demonstrated great generosity in making their yachts available, and the feedback from the beneficiary organisations has been overwhelmingly positive.

From a financial standpoint, the Club has performed above expectations. Increased trading from the Harbourview bar and functions, strong marina occupancy, and healthy commercial lease income have all contributed to a solid financial result. Operational revenue has continued to grow, and cash flow from operations remains healthy despite external inflationary pressures and rising costs in maintenance and services. This strong financial footing has placed the Club in a position to further invest in key facility upgrades over the coming year.

Looking ahead, our focus will be on continuing to improve the member experience through enhancements to infrastructure, events, and services. Upgrades to the beachfront area, bathroom amenities, the Harbourview kitchen, and the rigging deck are planned, and we are confident these can be funded from operating cash flow. These improvements are intended not only to support the core needs of our sailing community but also to make MHC a more attractive and functional space for members and guests year-round.

I would like to take this opportunity to thank the MHC staff for their continued dedication and professionalism. Our small team works tirelessly behind the scenes to support everything we deliver; —on the water, at the bar, through our events, and in our day-to-day operations. I would also like to acknowledge the invaluable contributions of our volunteers, who provide countless hours of support and enthusiasm across all areas of Club activity.

For me, it has been a privilege to serve in this role. MHC is more than just a sailing club. It is a place where people can come together and share a passion for the water. We have achieved a great deal over the past year, and I am excited about what lies ahead. With strong foundations in place and a renewed sense of momentum, I believe 2025/26 is set to be another exceptional year for the club and its members.



2024 - 2025 SAILING SEASON REVIEW

Middle Harbour Yacht Club delivered another busy and rewarding year of sailing in 2024-2025.

Midweek Sailing

The highlight of the club's weekday sailing program is the relaxed post-race social activity that takes place after the Wednesday, Thursday and Friday races. There were 88 midweek races scheduled in the 2024-2025 program – 50 in the Pacific Rigging Wednesday Series which attracted an average of 20 starters year round.

The Twilight Pursuit Series had 28-30 boats starting most Thursday evenings during daylight saving and incorporated 6 races in the Smithy's Waterproofing Women's Helm competition.



The new Friday Twilight Series was sailed fortnightly during daylight saving. While entry numbers were small, the series attracted a diverse fleet and provided an opportunity to try out spinnaker racing. The club Melges 20s were regulars on the course providing a great introduction to racing for some new sailors.

Saturday Pointscore Racing

The club's Annual Inshore Pointscore series saw 18 boats

contest the three divisions this year with Division 2 the strongest. Races were held in conjunction with the Combined Clubs Inshore Series that attracted 60 series entrants with race management shared between the clubs. MHYC had some standout results with Ian Box's *Toy Box 2* placing 1st on ORC, 2nd on IRC and 3rd on PHS in Division 1. In Division 2, Neil Padden's *Wailea* claimed the ORC and IRC wins and Tracy Richardson's *Artemis* took out PHS. John Crawford's *Innaminka* claimed the ORC win in Division 3 to round out another year of strong competition by MHYC boats.

The Sydney Harbour Sprint Series also contributed race results towards the Inshore Pointscore. While popular with many Middle Harbour teams, this series has not attracted many boats from other clubs. MHYC's Ocean Pointscore Series was again held in conjunction with the SSORC Regatta and the CYCA Short Ocean Pointscore.

MHYC Feature Events

There were eleven Feature Events scheduled for the 2024-2025 season. The Chaos Cup in January was most popular with 24 entries, followed by the Seven Islands Race in November (16) and the ANZAC Day Two Up Cup (14). The variety of courses and the ability for boats to enter with or without spinnakers make these events interesting and appealing.

Sunday Sailing

Manly and Middle Harbour Yacht Clubs combined for a Sunday Series of passage and sprint races in 2024-2025. Six MHYC and twelve MYC boats enjoyed the ten races sailed and there was great cooperation between the clubs for race management.

MHYC was again involved with the Sydney Harbour Womens Keelboat Series, running the first race and with three club boats contesting the pointscore. Congratulations to Celina Rumbelow and the crew of *Georgia Express* who finished in second place in Division 1 over the five race series.

2024 - 2025 SAILING SEASON REVIEW

MHYC Keelboat Regattas

The club hosted five Charity and Corporate Regattas between October and March, along with the Make-A-Wish Cruise arranged by the Cruising Division. Many of these events raise significant funds in support of the charitable organisations, made possible by MHYC boat owners and their crews making their yachts available.

The 2024 Nautilus Marine Insurance Sydney Short Ocean Racing Championship was contested by 21 performance yachts – five TP52s, eleven in Division 1 and five in Division 2. Bob Cox's *Nine Dragons* again claimed the Division 1 win.

Held on March 1 & 2, the 2025 Nautilus Marine Insurance Sydney Harbour Regatta was the 20th Anniversary of this flagship MHYC event. 153 keelboats in 16 divisions sailed across 6 course areas involving about 950 competitors and 75 race management volunteers. This large annual event would not be possible without the support of eight kindred clubs and principal sponsor Nautilus Marine Insurance. Thanks also to supporting sponsors Zhik, Kieser and Manly Spirits.

Non-MHYC Regattas

MHYC boats performed well at the 2025 Pittwater Regatta organised by Royal Prince Alfred Yacht Club in February. Ian Box's *Toy Box 2* was best in the NSW ORC Championships Division 1, while Keiran Mulcahy's *Soozal* won the Pittwater Cup series. In the IRC competition, MHYC boats occupied the entire Division 1 podium – *Khaleesi* (Neil Farquharson), *Toy Box 2* and *Nine Dragons* (Bob Cox).

In the Sail Port Stephens Commodores Cup Passage Series this year, David Hamilton's *Seeking Alpha* and John de Meur's *Elysium* won their respective divisions and MHYC won the Interclub Trophy. A few weeks later in the Performance Racing (IRC) Series, Gordon Ketelbey's *Farr 40 Zen* took the Division 2 win.

We look forward to the club again being well represented at this year's Airlie Beach Race Week, Hamilton Island Regatta and Magnetic Island Race Week.

Celebrating Achievements and Contributions

The Annual Keelboat Prizegiving on Saturday 3rd May was a wonderful evening to celebrate the achievements of MHYC sailors throughout the 2024-2025 sailing season.

Along with the trophy presentations, the important contribution of MHYC's volunteers, on committees, doing clubhouse maintenance and on the water was recognised. The major volunteer award, the RB Cooper Perpetual Award for Voluntary Service, was presented to race management volunteer Fernando Calero.

Other 2024-2025 Special Awards included the MHYC Flag Officers Participation Award presented to *Wailea* (Neil Padden), the Crew Member of the Year Award to David Nelson (*Nine Dragons*) and the Norman G Booth Award to Jack Stening and Colin Gunn (*Gusto*). The Jules Trophy for Yachtswoman of the Year was presented to Celina Rumbelow who led the women's team on *Georgia Express* while the Tig Thomas Distinction Trophy was awarded to Sebastian Hultin, the owner and skipper of *Georgia Express* for its offshore campaign.





MHYC FOUNDATION

REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

The MHYC Foundation remained active during the year receiving \$113,051 in donations allowing the Foundation to provide grants totalling \$88,197 in support of the continuing development of the Club and its services.

On behalf of the Foundation we are very grateful and thank all MHYC club members for their continued support and contributions to the Foundation. While the Foundation is independent of the MHYC, the Club is the sole beneficiary of the Foundation Trust, its main purpose being:

- To create a permanent Fund to be administered independently from the Club.
- To help preserve, develop and maintain the standards and facilities of the Club.
- To make grants to the Club from time to time for the purpose of assisting the Club in achieving its goals.

The Foundation is administered through a corporate trustee, MHYC Foundation Pty Limited, with a board currently comprising six directors. The directors of the trustee company work closely with the Club to promote fundraising activities that support the Club's strategy and plans.

Continuing directors include Ian Box as Chairman, Neil Drabsch,

Neil Padden, Rob Reynolds, Jack Stening and Sebastian Hultin.

Financial Results for the year ended 31 December 2024

	2024	2023
FLYAS Youth Sailing Fund	71,360	78,225
Revitalisation Fund	41	41
Vessel Replacement	3,836	-
General Fund	58,569	35,234
Total Funds	\$133,806	\$116,811

Details of the Foundation's audited financial statements are available through the Club's web site.

The Foundation's plans include providing further grants to assist funding and promoting Sailing and assisting funding other works outlined in the MHYC board's master plan that are targeted to improve members facilities, equipment and amenities.

On behalf of the Foundation board we sincerely thank the members for their generous donations and look forward to your assistance in supporting the funding of various projects and meeting the Club's objectives over the next financial year.

MIDDLE HARBOUR YACHT CLUB LIMITED

ABN: 95 000 248 887

CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 April 2025

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2025

The Directors present their report on Middle Harbour Yacht Club Limited for the financial year ended 30 April 2025.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Position	Appointed/Resigned
N Drabsch	Director/Chairman	
R Aldis	Director/Commodore	
P Lewis	Director	
P Delany	Director	
T Richardson	Director	
P Clinton	Director	Deceased 07/07/2024
J Stening	Director	Appointed 09/01/2025
R Carr	Director	Appointed 20/02/2025

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Review of operations

The financial result for the year from ordinary activities was a loss of \$68,702 (2024: loss of \$166,052) after charging \$689,593 (2024: \$667,389) for depreciation and amortisation.

Profit before income tax, interest and depreciation for the year was \$940,037 (2024: \$796,415).

In accordance with AASB 16 Leases the Club has recognised an amortisation expense on right-of-use assets of \$114,548 (2024: \$114,548) and finance costs in relation to the lease liability of \$57,388 (2024: \$59,246).

Principal activities

The principal activities of the company during the financial year were to provide facilities and services to promote the sport of sailing and boating activities.

No significant changes in the nature of the Association's activity occurred during the financial year.

Indemnifying and Insurance of Officers

The company has provided for and paid premiums to the value of \$4,060 (2024: \$4,095) during the year for Management Liability Insurance. The insurance is in respect of legal liability for damages and legal costs with an annual aggregate limit of \$5,000,000 arising from claims made by reason of any omissions or acts (other than dishonesty) by them, whilst acting in their individual or collective capacity as directors or officers of the company, towards which the directors of the company contribute.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2025

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

N Drabsch

Qualifications

Chartered Accountant, FCA, FAICD, FGIA, FCIS.

Experience

Practicing chartered accountant for 26 years. Extensive experience as a senior executive in finance, tax, investments and funding in large international insurance companies for over 27 years including 22 years with QBE Insurance Group in roles as company secretary and CFO. Now retired and Chairman of the Board and the Finance & Risk Committee.

P Lewis

Experience

Retired businessman with successful corporate and small to medium business experience primarily in developing, manufacturing, positioning and marketing products and services locally and overseas.

R Aldis

Qualifications

Civil Engineer, BE (Civil), FAICD

Experience

Over 47 years' experience in the engineering and construction sector, spending 26 years with the Contractor, Leighton Group of Companies, and then 16 years as Managing Director of an Advisory business within the Infrastructure sector. Rob also holds non-executive roles within North West Road Group and WaterNSW.

T Richardson

Qualifications

B. Education; M. Interactive multimedia; MBA

Experience

Passionate sailor, educator, technologist, business owner and solutions consultant. Career in tech-enabled education and learning solutions for corporate, government and member organisations. Now working for Chartered Accountants ANZ as Education Experience Lead.

P Delany

Qualifications

Bachelor of Laws, Bachelor of Economics

Experience

Patrick is the CEO of Foxtel Group which includes Foxtel, Kayo, Binge and Fox Sports. Extensive business experience in media and company turnarounds. Previous experience in production with Southern Star Entertainment, XYZ Entertainment and a former lawyer at Phillips Fox and Gilbert + Tobin.

J Stening

Experience

30 years with major bank mainly in IT, initially as a technology specialist, moving to Management of Systems Development and Operations, and general management. Business consultant small to medium business. Now, retired, 2 previous terms on the MHYC Board, Club Captain for 5 years, Director MHYC Foundation, Member of committees; Marina, Finance and Risk and Funding, Life member.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2025

Information on directors (cont'd)

R Carr	
Qualifications	Bachelor of Civil Engineering
Experience	Involved in the construction sector building freeways, marine infrastructure, water treatment plants and other major infrastructure for 10 years before moving to property development. Over 25 years developing residential estates, retirement villages and apartments with listed companies including 10 years with Stockland as a member of its NSW senior executive team.

Meetings of directors

During the financial year, 5 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
N Drabsch	5	5
R Aldis	5	4
P Lewis	5	3
P Delany	5	3
T Richardson	5	4
P Clinton	1	1
J Stening	2	2
R Carr	1	1

Environmental issues

The Association's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Company Limited by Guarantee

Middle Harbour Yacht Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$100 for all members, subject to the provisions of the company's constitution.

At 30 April 2025 the collective liability of members was \$75,200 (2024: \$ 76,400).

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2025

Dividends

The company is a non-profit organisation and is prevented by its constitution from paying dividends.

Proceedings on Behalf of the Company

No person has applied for leave of the Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

The company was not a party to any such proceedings during the year.

DIRECTORS' REPORT


FOR THE YEAR ENDED 30 APRIL 2025

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 April 2025 has been received and can be found on page 6 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: 
N Drabsch

Director: 
R Aldis

Dated: 18 June 2025

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001



PKF(NS) Audit & Assurance Limited Partnership

ABN 91 850 861 839

755 Hunter Street, Newcastle West NSW 2302

Level 8, 1 O'Connell Street, Sydney NSW 2000

Newcastle T: +61 2 4962 2688 F: +61 2 4962 3245

Sydney T: +61 2 8346 6000 F: +61 2 8346 6099

info@pkf.com.au

www.pkf.com.au

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Middle Harbour Yacht Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 April 2025, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in dark ink that reads 'PKF'.

PKF

A handwritten signature in dark ink, appearing to be 'Kym Reilly'.

KYM REILLY
PARTNER

18 JUNE 2025
SYDNEY, NSW

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2025

		2025	2024
	Note	\$	\$
Revenue	4	3,477,021	3,205,826
Other income		9,372	24,078
Cost of sales		(251,482)	(253,785)
Employee benefits expense		(1,186,498)	(1,186,182)
Cleaning		(29,639)	(28,058)
Regatta and sponsorship expenses		(122,853)	(114,924)
Insurance		(215,606)	(201,608)
Rates and utilities		(107,168)	(117,743)
Rental and leasing outgoings		(52,986)	(12,731)
Repairs and maintenance		(253,534)	(194,751)
Other expenses		(326,590)	(323,707)
Profit before income tax, interest, depreciation and amortisation		940,037	796,415
Finance costs	5	(319,146)	(295,078)
Depreciation and amortisation expense	5	(689,593)	(667,389)
Loss before income tax		(68,702)	(166,052)
Income tax expense	2(i)	-	-
Loss for the year		(68,702)	(166,052)
Other comprehensive income			
Fair value increment on revaluation of property	17	4,481,864	-
Other comprehensive income for the year, net of tax		4,481,864	-
Total comprehensive profit/(loss) for the year		4,413,162	(166,052)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 APRIL 2025

	Note	2025 \$	2024 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,016,512	477,098
Trade and other receivables	7	45,974	27,419
Inventories		19,582	16,547
TOTAL CURRENT ASSETS		1,082,068	521,064
NON-CURRENT ASSETS			
Other financial assets	8	41,596	41,596
Property, plant and equipment	9	18,334,002	14,320,504
Right-of-use asset	10	2,672,795	2,787,344
TOTAL NON-CURRENT ASSETS		21,048,393	17,149,444
TOTAL ASSETS		22,130,461	17,670,508
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	313,643	216,509
Borrowings	12	1,400,000	1,865,000
Employee benefits		48,582	49,438
Lease liabilities	10	92,010	92,010
Other liabilities	13	72,641	56,403
TOTAL CURRENT LIABILITIES		1,926,876	2,279,360
NON-CURRENT LIABILITIES			
Borrowings	12	3,505,000	3,055,000
Lease liabilities	10	2,726,398	2,820,266
Employee benefits		48,268	5,125
TOTAL NON-CURRENT LIABILITIES		6,279,666	5,880,391
TOTAL LIABILITIES		8,206,542	8,159,751
NET ASSETS		13,923,919	9,510,757
EQUITY			
Reserves		17,087,131	12,605,267
Accumulated losses		(3,163,212)	(3,094,510)
TOTAL EQUITY		13,923,919	9,510,757

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2025

		Accumulated losses	Asset Revaluation Reserve	Total
		\$	\$	\$
Balance at 1 May 2024		(3,094,510)	12,605,267	9,510,757
Loss for the year		(68,702)	-	(68,702)
Fair value increment on revaluation of property	17	-	4,481,864	4,481,864
Balance at 30 April 2025		(3,163,212)	17,087,131	13,923,919
Balance at 1 May 2023		(2,928,458)	12,605,267	9,676,809
Loss for the year		(166,052)	-	(166,052)
Balance at 30 April 2024		(3,094,510)	12,605,267	9,510,757

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2025

	Note	2025 \$	2024 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		3,821,675	3,451,554
Payments to suppliers and employees		(2,757,395)	(2,859,278)
Interest received		9,826	7,966
Finance costs		(261,758)	(235,832)
Net cash provided by operating activities	21	<u>812,348</u>	<u>364,410</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(106,678)	(377,202)
Net cash used in investing activities		<u>(106,678)</u>	<u>(377,202)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net proceeds from issue/(repayment) of debentures		(15,000)	75,000
Repayment of lease liabilities		(151,256)	(151,257)
Net cash used in financing activities		<u>(166,256)</u>	<u>(76,257)</u>
Net increase/(decrease) in cash and cash equivalents held		539,414	(89,049)
Cash and cash equivalents at beginning of year		477,098	566,147
Cash and cash equivalents at end of financial year	6	<u><u>1,016,512</u></u>	<u><u>477,098</u></u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

The financial report includes the consolidated financial statements and notes of Middle Harbour Yacht Club Limited (Parent) and controlled entities ('the Club'). Middle Harbour Yacht Club Limited is a not-for-profit Club limited by guarantee, incorporated and domiciled in Australia.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the Corporations Act 2001.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Comparatives are consistent with prior years, unless they have been reclassified to be consistent with the current year.

2 Summary of Material Accounting Policies

(a) Going concern

The financial statements have been prepared on the going concern basis, which indicates continuity of business activities and the realisation of assets and settlement of liabilities in the normal course of business.

At 30 April 2025 the Club reported current liabilities of \$1,926,876 which was greater than current assets of \$1,082,068. This resulted in net current liabilities of \$ 844,808 (2024: \$1,758,296), of which \$1,400,000 (2024: \$1,865,000) related to loans repayable to debenture holders within the next 12 months.

The Directors are confident that the Club will be able to negotiate the roll-over, or reissue of these existing debenture loans. This is based on the fact that historically the Club has a proven track record of raising new debentures, and in addition the Club continues to receive ongoing support from its various stakeholders who actively participate in the debenture scheme.

The ability of the Club to continue as a going concern is dependent upon the Club continuing to achieve their projected trading budget and to successfully roll over or replace the debenture loans as they fall due. Although these conditions indicate the existence of an uncertainty which casts doubt over the Club's ability to continue as a going concern, the directors are confident that the Club will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

(b) Principles of Consolidation

The financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have an April financial year end.

A list of controlled entities is contained in Note 19 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

2 Summary of Material Accounting Policies (cont'd)

(c) Revenue and other income

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods and services to customers at an amount that reflects the consideration of the Club expects to receive in exchange for those goods and services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price of the performance obligations
5. Recognise revenue as and when control performance obligations is transferred.

Rendering of services

Revenue from rendering services comprises revenue from memberships together with other services to members and other patrons of the Club and is recognised when the services are provided.

Rental income

Revenue from marina and moorings is recognised on a straight-line basis for leases with fixed rental increases. For all other leases, revenue is recognised when the Club has a right to receive the rent in accordance with the lease agreement.

Commercial property rental revenue is recognised on a straight-line basis over a period of lease terms as to reflect a constant periodic rate of return on the net investment.

Other income

Other income is recognised on an accruals basis when the Association is entitled to it.

Bar and catering revenue

Revenue from sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue

Interest is recognised using the effective interest method.

Government grants

Government grants are recognised when there is a reasonable certainty that the grant will be received and all grant conditions are met. Grants relating to expense items are recognised as income over the necessary periods to match the grant to the costs they are compensating.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

2 Summary of Material Accounting Policies (cont'd)

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the consolidated statement of financial position.

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(e) Cash and cash equivalents

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

(f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or revaluation model less, where applicable, any accumulated depreciation and impairment as specified below.

Marina and moorings, clubhouse and leasehold premises

Marina and moorings, clubhouse and leasehold premises are measured using the revaluation model. Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed every 3-5 years in accordance with the Clubs revaluation policy.

Plant and equipment

Plant and equipment are measured using the cost model. Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation

The depreciable amount of all property, plant and equipment is depreciated on a straight-line method from the date that management determine that the asset is available for use.

Leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

2 Summary of Material Accounting Policies (cont'd)

(f) Property, plant and equipment (cont'd)

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Leasehold premises	4.0%
Marina and Moorings	4.0%
Clubhouse	4.0%
Plant and Equipment	10.0%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(g) Financial instruments

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Association classifies its financial assets into the category measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Club's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income is recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

2 Summary of Material Accounting Policies (cont'd)

(g) Financial instruments (cont'd)

Financial assets (cont'd)

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Association considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Association's historical experience and informed credit assessment and including forward looking information.

The Club uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Club uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the club in full, without recourse to the club to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Club in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Club has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Club renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

2 Summary of Material Accounting Policies (cont'd)

(g) Financial instruments (cont'd)

Financial liabilities

The Club measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the club comprise trade payables, bank and other loans and lease liabilities.

(h) Impairment of non-financial assets

At the end of each reporting year, the Club 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. Value in use is either the discounted cash flows relating to the asset or depreciated replacement cost if the criteria of AASB 136 'Impairment of Assets' are met. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Club estimates the recoverable amount of the cash generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

(i) Income Tax

No provision for income tax has been raised as the Club is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(j) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Club during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(k) Leases

Lease liabilities are measured at the present value of the payments to be made over the lease term at the commencement of the lease and are discounted using the lessee's incremental borrowing rate. The incremental borrowing rate is the rate that the Club would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use ("ROU") asset in a similar economic environment, with similar terms, security and conditions. Application of the incremental borrowing rate is adopted where the interest rate implicit in the lease cannot be readily determined from the contract, which is generally the case for leases in the Club.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

2 Summary of Material Accounting Policies (cont'd)

(k) Leases (cont'd)

Lease payments due within 12 months are recognised within current lease liabilities; payments due after 12 months are recognised within non-current lease liabilities. Interest on the lease liability in each period during the lease term shall be the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest expense on the lease liability is a component of finance cost and is presented in the statement of profit and loss.

The short-term exemption will be applied to leases that are less than 12 months. These leases are recognised on a straight-line basis as an expense. Assets and liabilities arising from a lease are initially measured on a present value basis. lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

(l) Employee benefits

Provision is made for the Club's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Club does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

Contributions are made by the Club to an employee superannuation fund and are charged as expenses when incurred.

(m) Adoption of new and revised accounting standards

There are no new and revised Accounting Standards and interpretations effective for the current year that are relevant to the Club.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

3 Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Club.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

Key estimates - fair value of Marina and moorings, Leasehold premises and Clubhouse

The Club carries these assets at fair value with changes recognised in the revaluation reserve.

On 23 January 2013 the leasehold premises, marina and moorings and clubhouse development held by the Club were independently valued by Landmark White valuers adopting the capitalisation of earnings method and applying a capitalisation rate of 9.25%.

The directors' performed a Directors Valuation at 30 April 2025 using a consistent capitalisation of earnings method as had been performed by the independent valuers in 2013. Key assumptions adopted in the 2025 Directors Valuation have been included in Note 17.

As a result of the directors' valuation at 30 April 2025, the Club has recognised a revaluation increment of \$4,481,864 accounted for as an increase in the book values of the relevant assets classes with a corresponding increase in the asset revaluation reserve.

Key estimates - impairment of property, plant and equipment

The Club assesses impairment at the end of each reporting period by evaluating conditions specific to the Club that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

With respect to cash flow projections for marina and moorings based in Australia, growth rates of 2.5% have been factored into valuation models for the next 23 years on the basis of the modification to lease terms with NSW Maritime, re-signed on 22 December 2021. The rates used incorporate allowance for inflation.

Key judgements - Income tax exemption

The directors of the Club self-assess income tax exemption status each year by filling out the income tax exemption self-assessment form provided by the ATO. The directors assessed the Club as income tax exempted this financial year given its sporting nature and accumulated losses.

Key judgements - AASB 16 Leases

The directors of the club have made significant judgements regarding the recognition of leases and under AASB 16. Specifically these judgements relate to the incremental borrowing rate applied of 2% and the terms and conditions of the lease agreement held with NSW Maritime.

The lease agreement held with NSW Maritime was resigned on 22 December 2021 and dated back to a commencement date of 16 February 2016. The revised lease agreement in place is for a term of 32 years, maturing on 15 August 2048 at an annual rent of \$151,526 p.a.

Variable payments tied to the lease agreement with NSW Maritime have been excluded from the initial measurement of the lease liability and are recognised in profit or loss in the period during which the event or condition that triggers those payments occurs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

4 Revenue and Other Income

	2025	2024
	\$	\$
- Rendering of services	704,713	678,823
- Marina Rentals	1,729,143	1,584,755
- Mooring Rentals	42,989	37,845
- Bar and Catering revenue	447,841	415,910
- Other miscellaneous sales revenue	9,568	17,098
- Interest income	9,826	7,966
- Commercial rental income	402,744	381,211
- Donations	89,197	36,000
- Council carpark revenue	41,000	46,218
	3,477,021	3,205,826

5 Result for the Year

The result for the year includes the following specific expenses:

Finance costs

- Interest expense on debentures	261,758	235,832
- Interest on lease liabilities	57,388	59,246
	319,146	295,078

Depreciation and amortisation expense

- Depreciation of property, plant and equipment	575,045	552,841
- Amortisation of right-of-use assets	114,548	114,548
	689,593	667,389

6 Cash and cash equivalents

Cash on hand	6,426	6,426
Cash at bank	1,010,086	470,672
	1,016,512	477,098

7 Trade and other receivables

CURRENT

Trade receivables	12,231	15,389
Other receivables	33,743	12,030
	45,974	27,419

8 Other Financial Assets

NON-CURRENT

Held at amortised cost		
Security deposits	41,596	41,596

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

9 Property, plant and equipment

	2025 \$	2024 \$
BUILDINGS, MARINA AND MOORINGS		
Clubhouse and leasehold premises At fair value	5,484,686	3,461,450
Less: accumulated depreciation	-	(351,026)
	5,484,686	3,110,424
 Marina and Moorings At fair value	 12,515,314	 11,729,900
Less: accumulated depreciation	-	(797,634)
	12,515,314	10,932,266
 Total buildings, marina and moorings	 18,000,000	 14,042,690
PLANT AND EQUIPMENT		
Plant and equipment At cost	1,331,615	1,241,947
Less: accumulated depreciation	(997,613)	(964,133)
	334,002	277,814
 Total property, plant and equipment	 18,334,002	 14,320,504

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Clubhouse and leasehold premises \$	Marina and Moorings \$	Plant and Equipment \$	Total \$
2025				
Balance at the beginning of year	3,110,424	10,932,266	277,814	14,320,504
Additions	5,010	-	101,668	106,678
Disposals	-	-	(12,000)	(12,000)
Depreciation expense	(130,748)	(398,816)	(33,480)	(563,044)
Revaluation increase	2,500,000	1,981,864	-	4,481,864
Balance at the end of the year	5,484,686	12,515,314	334,002	18,334,002

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

10 Leases

Right-of-use assets

	2025 \$	2024 \$
Year ended 30 April 2025		
Balance at beginning of year	2,787,343	2,901,892
Depreciation charge	(114,548)	(114,548)
Balance at end of year	2,672,795	2,787,344

The Club subleases the Ground Floor Cafe and the First Floor Quarter Deck room for a period of 5 years, commencing 1 May 2022 with the sub-lessee holding an option to extend the lease term for another 5 years.

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year \$	1 - 5 years \$	> 5 years \$	Total undiscounted lease liabilities \$	Lease liabilities included in this Consolidated Statement Of Financial Position \$
2025					
Lease liabilities	151,257	605,026	2,621,781	3,378,064	2,818,408
2024					
Lease liabilities	151,257	605,026	2,924,294	3,680,577	2,912,276

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

11 Trade and other payables

	2025 \$	2024 \$
Unsecured liabilities		
Trade payables	55,971	50,533
Sundry payables and accrued expenses	257,672	165,976
	313,643	216,509

12 Borrowings

CURRENT

Secured liabilities:

Debentures

1,400,000	1,865,000
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NON-CURRENT

Secured liabilities:

Debentures

3,505,000	3,055,000
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Collateral Provided

Debentures are secured by a first mortgage over the assets of the Club. The carrying amounts of non-current assets pledged as security are:

- Marina and Moorings	12,515,314	10,932,266
- Leasehold premises and club house	5,484,686	3,110,424
- Other property plant and equipment	334,002	277,814
	18,334,002	14,320,504

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

13 Other liabilities

	2025	2024
	\$	\$
CURRENT		
POS liability	7,981	13,237
Grants received in advance	40,000	-
Customer deposits	23,679	26,770
Prepaid berths guarantee fees	981	16,396
	72,641	56,403

14 Financial Risk Management

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

The Club's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, debentures and lease liabilities.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows

Financial Assets

Held at amortised cost

Cash and cash equivalents	1,016,512	477,098
Trade and other receivables	45,974	27,419
Other financial assets	41,596	41,596
Total financial assets	1,104,082	546,113

Financial liabilities

Held at amortised cost

Trade and other payables	313,643	216,509
Borrowings	4,905,000	4,920,000
Lease liabilities	2,818,408	2,912,276
Total financial liabilities	8,037,051	8,048,785

15 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of Middle Harbour Yacht Club Limited during the year are as follows:

Short-term employee benefits	182,902	213,392
Long-term benefits	20,895	20,686
	203,797	234,078

For details of other transactions with key management personnel, refer to Note 16: Related Party Transactions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

16 Related Parties

(a) The Association's main related parties are as follows:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 15: Key Management Personnel Compensation.

(b) Other related parties

Other related parties include immediate family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel, individually or collectively with their immediate family members.

(c) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following transactions occurred with related parties:

	2025	2024
	\$	\$
(i) Revenue from services		
Revenue from monthly berth fees	29,892	21,443
(ii) Debentures		
Debentures payable	320,000	320,000
Debentures interest (paid)/payable	14,530	19,734

17 Fair Value Measurement

The Association measures the following assets and liabilities at fair value on a recurring basis:

- Property, plant and equipment
 - Marina and Moorings
 - Clubhouse and leasehold premises

The Club does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

This note explains the judgements and estimates made in determining the fair values of the non-financial assets that are recognised and measured at fair value in the financial statements.

Recurring fair value measurements

Property, plant and equipment

Marina and Moorings	12,515,314
Clubhouse and leasehold premises	5,484,686
	<u>18,000,000</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

17 Fair Value Measurement (cont'd)

Valuation techniques used to determine fair values

An independent valuation of the Marina and Moorings, Leasehold premises and Clubhouse was undertaken by an independent valuer in 2013 using the capitalisation of earnings method, based on a capitalisation rate of 9.25%.

The directors' have performed a Directors Valuation at 30 April 2025 using a consistent capitalisation of earnings method as had been performed by the independent valuers in 2013. Key assumptions adopted by the Directors in this valuation include:

- Projected net commercial income of the marina berths and moorings based on expected future occupancy levels;
- Commercial rental value of land property currently occupied and used by the Club, with an allowance for expected vacancies and operating expenses;
- Adjustments for future capital expenditure expectations; and
- Average capitalisation rate of 8.5%.

18 Contingencies

Estimates of the potential financial effect of contingent liabilities that may become payable.

Bank guarantee

Middle Harbour Yacht Club Limited had the following security deposits held with Westpac, classified as security deposits within other financial assets:

- \$41,596 in respect of their Maritime Service account (2024: \$41,596).

19 Controlled Entities

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2025	Percentage Owned (%)* 2024
Parent Entity:			
Middle Harbour Yacht Club	Australia	100	100
Subsidiaries:			
MHYC Holdings Pty Limited	Australia	100	100
MHYC Marina Management Pty Limited	Australia	100	100
MHYC Foundation Pty Ltd	Australia	100	100

*The percentage of ownership is in proportion to ownership.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

20 Parent entity

The following information has been extracted from the books and records of the parent, Middle Harbour Yacht Club Limited and has been prepared in accordance with Accounting Standards. The financial information for the parent entity, Middle Harbour Yacht Club Limited has been prepared on the same basis as the financial statements except as disclosed below. Investments in subsidiaries are accounted for at cost in the financial statements of the parent entity.

	2025 \$	2024 \$
Statement of Financial Position		
Assets		
Current assets	1,082,068	521,064
Non-current assets	21,048,393	17,149,444
Total Assets	22,130,461	17,670,508
Liabilities		
Current liabilities	1,926,876	2,279,360
Non-current liabilities	6,279,666	5,880,391
Total Liabilities	8,206,542	8,159,751
Equity		
Retained earnings	(3,163,212)	(3,094,510)
Asset revaluation reserve	17,087,131	12,605,267
Total Equity	13,923,919	9,510,757

21 Cash Flow Information

Reconciliation of net income to net cash provided by operating activities:		
Loss for the year	(68,702)	(166,052)
Non-cash flows in profit:		
- depreciation and amortisation	689,593	667,389
- interest on lease liability	57,388	59,246
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(18,555)	(8,754)
- (increase)/decrease in inventories	(3,035)	(3,170)
- (increase)/decrease in trade and other payables	97,134	(86,921)
- (increase)/decrease in other liabilities	16,238	(75,408)
- (increase)/decrease in provisions	42,287	(21,920)
Cashflows from operations	812,348	364,410

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

22 Events after the end of the Reporting Period

The financial report was authorised for issue on 18 June 2025 by the Board of Directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Club, the results of those operations or the state of affairs of the Club in future financial years.

23 Company Details

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

Middle Harbour Yacht Club Limited

Lower Parriwi Road

The Spit

Mosman NSW 2088

DIRECTORS' DECLARATION

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 7 to 27, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards - Simplified Disclosures; and
 - (b) give a true and fair view of the financial position as at 30 April 2025 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion, there are reasonable grounds to believe that the entity 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 Board of Directors.

Director
N Drabsch

Director
R Aldis

Dated: 18 June 2025

MIDDLE HARBOUR YACHT CLUB LIMITED

ABN: 95 000 248 887

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF MIDDLE HARBOUR YACHT CLUB LIMITED

For the Year Ended 30 April 2025

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF Middle Harbour Yacht Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Middle Harbour Yacht Club Limited (the Club), which comprises the statement of financial position as at 30 April 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of Middle Harbour Yacht Club Limited, is in accordance with the Corporations Act 2001, including:

- (a) Giving a true and fair view of the company's financial position as at 30 April 2025, and of its financial performance for the year then ended; and
- (b) Complying with the Australian Accounting Standards – Simplified Disclosure Requirements and Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 April 2025 but does not include the financial report and our auditor's report thereon.

Other Information (cont'd)

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosure Requirements and the Corporations Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

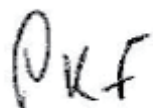
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.



PKF



KYM REILLY
PARTNER

18 JUNE 2025
SYDNEY, NSW



MHYC
MIDDLE HARBOUR YACHT CLUB