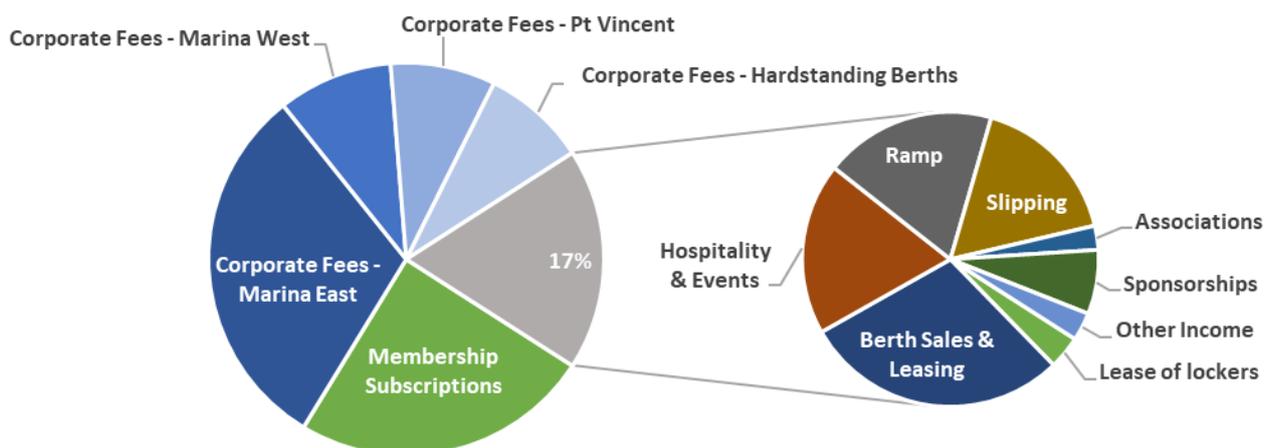


Treasurers' updates by their nature are full of numbers and can be extremely dry, so I'll try to make this one visual and colourful where I can. The first thing to note is that this report is focussing on the 9 months from June 2019 to February 2020 inclusive. The last 3 months of our financial year will be unusual of course, which I'll talk about near the end.

To start things off I'll temporarily deviate from the standard profit/loss report, and present the following chart showing where our income has come from:

Breakdown of Operational Income of \$1.8m



Some points to note from this chart:

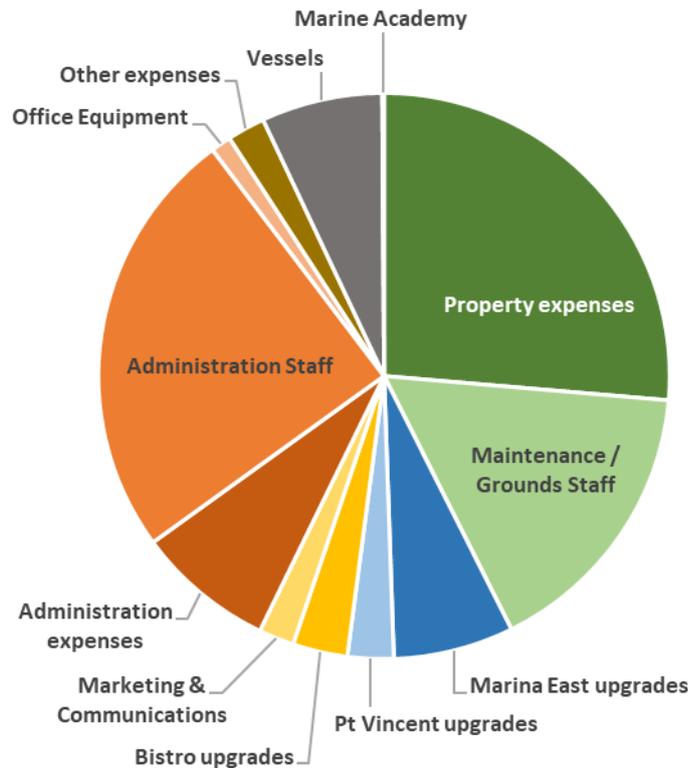
- Our Membership base has remained stable in most categories, with the exception of Social membership which has continued to grow since its introduction a few years ago.



- The contribution by Hospitality & Events to our bottom line is down 30% this year compared to last, and 68% below budget. This area of the business remains highly competitive and is also subject to bad weather on Twilight Race evenings. The new Chef is having a positive effect.
- The contribution by all Associations remains positive.
- Sponsorship is a small contributor overall but has grown significantly above budget.

The next chart shows where we've expended funds for operational and capital purposes:

Breakdown of Operational & Capital Expenses of \$1.8m



Some points to note from this chart:

- The original 2019/20 capital expense budget contained several additional items which are on hold pending completion of our Master Plan.
- Some significant refurbishment/replacement of pontoons has been required at Port Vincent.
- The expenditure on over water assets will be paid out of the Sinking Fund.
- Academy 1's replacement has been purchased, but Academy 1 has not yet been put up for sale.
- The Marine Academy shows as a minor outflow to date. This is primarily due to a change in cost allocations of salaries during the year compared to previous years. Profitability is expected to increase in the long term as various initiatives are rolled out, but the Academy remains an important service & gateway to future memberships.

As you will be aware, the Club's Sinking Fund has been invested in a share portfolio ably managed by the Club's Investment Committee comprised of senior members and external advisors. The portfolio has performed strongly this financial year, and in January/February 2020 we took the opportunity to take some profit and convert approximately half of the \$6m portfolio into cash. This cash remains ready to reinvest in the market when the time is right. The other half of the portfolio remains in high quality shares, and while their book value has dropped due to the impact/uncertainties of COVID-19, they continue paying dividends and will continue to be held until better opportunities present themselves for the long term. Further recognising the long-term nature of this Sinking Fund and the responsibilities/risks that this entails, the Board has recently outsourced the day-to-day administration and decision making of the portfolio to Investment Managers Ord Minnett. Ord Minnett will use their best professional judgement to meet our investment objectives and will be reporting to the Board on the portfolio's performance and outlook on a regular basis.

Below is a summary of the Sinking Fund portfolio as at 29 February 2020.

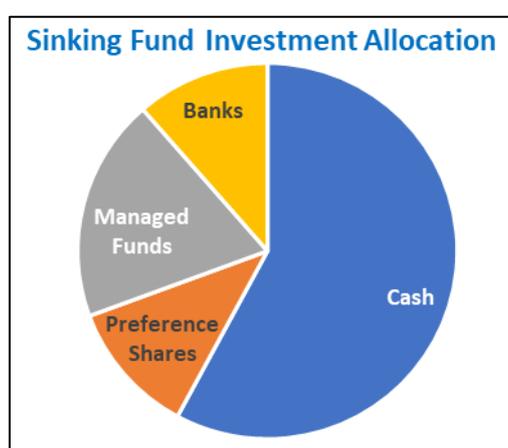
Market value of portfolio:

Argo Investments	\$ 250,512
CBA Pref shares	\$ 348,500
Milton Corp	\$ 232,050
National Australia Bank	\$ 376,500
Perpetual Equity Investment	\$ 316,520
Westpac	\$ 314,412
Westpac Pref Shares	\$ 348,400
Wilson Asset Management	\$ 363,525
Cash	\$ 3,503,171
	\$ 6,053,590

Revenue earned :

Dividends	\$ 166,076
Interest	\$ 1,617
Profits from sale of shares	\$ 386,352
	\$ 554,045

Return on investment: 9%



Below is a summary of the Club's financial position as at February 2020 with comparisons to the same time last year and the budget to date. Also shown is the expected result for the full year.

Year to Date at end of February

Full Year to end of May

	Actual This Year	Actual Last Year	%Inc/(dec)	Budget This Year	%Inc/(dec)	Forecast	Budget	%Inc/(dec)
Contribution by North Haven	1,078,213	1,088,934		1,208,769		1,344,205	1,655,862	
Contribution by Port Vincent	134,865	135,281		131,217		176,995	174,173	
Total Head Office Expenditure	(818,616)	(820,257)		(846,508)		(1,003,981)	(1,124,428)	
Net Operating Surplus	394,462	403,958	-2%	493,478	-20%	517,219	705,607	-27%
Plus income from Sinking Fund/Subsidies	554,045	41,647		204,750		619,930	273,000	
Net Surplus before non cash items	948,507	445,605	113%	698,228	36%	1,137,149	978,607	16%
Less Non cash items:								
- Depreciation/amortisation	(213,330)	(216,321)		(266,153)		(300,812)	(354,869)	
- Unrealised loss on Sinking Fund portfolio**	(584,553)	0		0		(584,553)	0	
Net Surplus after non cash items	150,624	229,284	-34%	432,075	-65%	251,784	623,738	-60%

**NB: This is a book entry only and represents the reduced market value of the portfolio as at Feb 2020

As at February 2020 our Net Operating Surplus was in line with last year's but somewhat behind the Budget set by the Board. Going forward, our Net Operating Surplus will decrease further due to the closure of Hospitality, Events, and the Marine Academy. We are however optimistic that we will be eligible for the

Federal Government's Cash Flow Boost and JobKeeper payments, which will offset these losses. Management is analysing these rules as they become available.

The Club is in a strong financial position as we head into these uncharted waters created by the COVID-19 pandemic. Below is a summary of the Club's Balance Sheet:

	Actual Feb 2020	Actual Audited May 2019
Current Assets	601,125	298,063
Sinking Fund Portfolio	6,053,590	5,838,808
Property Plant and Equipment	16,878,877	16,768,717
Total Assets	23,533,592	22,905,588
Current Liabilities	(979,039)	(471,321)
Licence to occupy berths	(4,587,228)	(4,698,327)
Loan facility	(723,648)	(905,648)
Other Non Current Liabilities	(107,593)	(66,853)
Total Liabilities	(6,397,508)	(6,142,149)
Net Assets	17,136,084	16,763,439
Issued Capital	6,136,019	6,136,319
Reserves	1,464,290	1,464,290
Retained Earnings	9,535,775	9,162,830
Total Equity	17,136,084	16,763,439

Our loan facility allows us funds up to \$1.3m and as at February we had \$600k still available to draw down from the facility if and when needed.

Our financial year-end is coming up at the end of May and consequently the Board and Management will be meeting before then to set the budget and fees for next year. Naturally the current economic and social environment will feature strongly in these considerations, taking into account the health of Members, Staff, and the Club as a whole.

As usual, the results for the full financial year will be reported to Members before the Club's AGM in September. As always, feel free to contact the office if you have any questions with regard to the Club's financials until that time.

All the best,

David Roper, CYCSA Treasurer