



## Vice Presidents' Report to Directors and Members Sydney Flying Squadron Limited - May 2007 to November 2011

Much has been achieved in the past four years since the Sydney Flying Squadron Limited AGM in 2007, following the forensic accountant's reports on management activities at the club between 2003-2006.

The priorities of all directors of the Sydney Flying Squadron Limited and Patton's Slipways Pty Ltd between 2007-2011 have been to reduce the overall risk profile of our Club by improving compliance and corporate governance, implementing significant financial controls, focussing on site and asset management, and ensure regular operational improvements.

In summary, achievements by the directors and management of the Club and Pattons during the May 2007 to November 2011 period have been:

- Arrested the operating losses from 2003-2006
- Significant and ongoing improvements to financial and cash flow management (including bookkeeping, accounting, auditing, and reporting)
- Negotiated and managing secured bank loan
- Settled all aged trade creditors inherited in 2007
- Settled all outstanding PAYG, GST, Tax, BAS, and Superannuation inherited in 2007
- Undertook extensive analysis and reporting to negotiate reductions in penalties from 2003-2006 activities
- Settled outstanding lease payments with NSW Maritime inherited in 2007
- Negotiated timely renewals of Maritime Leases for Club premises and Pattons wet lease
- Implemented cost benefit proposal and budget process requiring realistic budgets and income projections to be submitted to Finance Committee for approval for all initiatives, including annual sailing activities, special events, marketing, new projects.
- Implemented policy of requiring a minimum of three (3) tenders for expenditure categories
- Regular confirmation required from Sailing Board that all sailing activities are being carried out in accordance with Aquatic License, Yachting Australia (YA) membership, Insurance policy requirements and board resolutions
- Comprehensive and regular reviews of Bar operations in line with industry benchmarks
- Comprehensive and regular review of Poker Machine operations to ascertain their viability and protect their income stream
- Comprehensive and annual review of Restaurant operations with particular attention to transparency in costs being incurred by the Club
- Comprehensive and regular insurance reviews
- Comprehensive and regular review of all leasing arrangements, and managing out all small and non cost effective ones
- Major and ongoing face lift of Club facilities through Volunteer and low cost initiatives
- Policies and Codes of Conduct created, published and reviewed annually
  - Members Code of Conduct
  - House Policy – Responsible Service of Alcohol
  - Directors Code of Conduct
  - Operating Principles for Directors
  - Park and Boatshed Use Policy
  - Anti-Discrimination and Harassment Policy (draft in process)
- Introduced regular e-news communication to Members and Friends of the Club



- Undertook major upgrade to website
- Facilitated ongoing membership drive initiatives
- Introduced online payment system for dues and events
- Upgraded all computing resources
- Upgraded the Stock Control systems
- Upgraded the Cash Registers and associated systems
- Upgraded all membership data and operations
- Introduced quarterly compliance review process
- Purchased and installed security and surveillance camera system, both upstairs and downstairs in clubhouse
- Installation of awnings over the verandah and clear weather drops to wharf area
- Continued maintenance of the race and rescue equipment
- Regular rental and lease reviews and maintenance works for the Pattons asset
- Sought independent legal opinions and undertook extended reviews to ascertain whether there were options for cost effective recovery from the 2003-2006 operations
- Introduced annual directors membership of ClubsNSW Club Directors Institute (CDI) to ensure all directors have access to the Club Industry Guide and all current legislation and regulatory information relating to their role and access to the online Directors Foundation and Financial Management courses recommended for completion as the minimum training for any SFS Directors during their tenure
- Created and maintained Disciplinary Committee processes to ensure transparency (and no bias / favouritism) in the handling of member code of conduct breaches
- Supported cost effective initiatives of the Sailing Boards, Social Committees and members
- Supported the Secretary Manager in her significant achievements in relation to cost reductions, staff stability, venue and event reputation, cash flow management, increased membership, and ongoing professional floor operations to the benefit of the members and the company.

The upgrade of the Articles of Association to satisfy current regulations and legislation (including Corporations Act 2001, Registered Clubs Amendment Act 2006, Liquor Act 2007, the Gaming Machines Act (2008)) has been approved by the board and is underway as at November 2011.

The outgoing Vice Presidents wish to thank the members, volunteers, other directors, the staff and Anita McMahon, Secretary Manager for their support over the past 4 years and commend all on the successes so far, and the current stabilised financial position of the company.

There is still a long way to go, and it will require ongoing prudent management of cash flow and assets for the foreseeable future by the incoming company Directors. It was expected that it would take 15 years to manage SFS Limited back to a no debt situation when executing the loan arrangements following the activities of the management team between 2003-2006, and we are now 3 years into those arrangements. We trust that the incoming boards over the next 12 years will maintain and improve on our achievements in creating a sustainable company, sailing program, clubhouse, and social space for the benefit of our members.

Jill Atherton – Vice President  
Denny Linker – Vice President  
**SFS Limited Vice Presidents**