MIDDLE HARBOUR YACHT CLUB

ANNUAL REPORT 2025/2026

MIDDLE HARBOUR YACHT CLUB

ANNUAL REPORT 2025/2026

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.

CONTENTS

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	*(Resigned 18 March 2026)*
Robert Carr	

FLAG OFFICERS

Robin Aldis	Commodore
Gerald Nicholls	Vice Commodore Cruising
Sebastian Hultin	Vice Commodore Youth Sailing
Bryan Moore	Club Captain
Vacant	Vice Commodore Racing

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 I Web: www.mhyc.com.au

AUDITORS

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

CEO REPORT

ANDREW FORBES

The 2025/26 sailing year has been a highly rewarding period for Middle Harbour Yacht Club. I want to begin by thanking all our members, families, and friends for making it such a fantastic year. We have seen increasing participation across all areas of the Club, a real lift in event attendance and a vibrant energy around the clubhouse that reminds us of what our club is all about. The true success of the past twelve months belongs to the members who bring our spaces to life and I thank you for your unwavering support of our programmes, regattas, series racing, and social events.

Sailing remains at the absolute core of our club identity and the past year delivered exceptional activity across all divisions, from our regular Wednesday and twilight racing to our weekend programmes and regattas. A major highlight on the water this season was the outstanding success of our new start boat, “LEGACY”. The vessel was successfully commissioned and fully deployed into service, proving to be a fantastic asset that has significantly enhanced the capabilities of our sailing management team.

As a further encouragement to promote participation on the water, the Board and Sailing Committee supported the introduction of a race entry fee package and other options offering a substantial reduction in costs for our regular sailors. While this reduction in fees came at a cost our initiative was rewarded with an approximate 10% increase in fleet participation.

Off the water, the social atmosphere has been equally rewarding, with the competitive spirit on the harbour naturally flowing back into the Clubhouse. A true highlight of the social calendar was our annual Barefoot beach party, which drew an incredible crowd down to the Club and showcased the very best of our community spirit.

We have made steady progress in upgrading and securing our facilities to ensure the club remains a welcoming, functional and safe environment. The final phase of our site security upgrades, including the new security gates, has been completed and is now fully operational, drawing excellent feedback from across the membership.

We have capitalised on our unique location on the water securing tenants that support our core commitment to sailing and boating that also enhance member activities and services. We have successfully renewed our major key long-term lease agreements, including the lease for our largest tenant, the Australian Sailing Team as well as welcomed a shipwright on-site to offer a vital marine trade for the convenience and support of our members.

Set out in this report are details of the Club’s financial results that continue to improve with revenue of $3.64 million and net operating profit before depreciation, amortisation and excluding AASB16 of $0.99 million. The operating profit benefits from the regular and stable income generated by our major asset the marina, rental income and of course members subscriptions and generous donations. Costs are carefully managed including a large regular allowance each year to invest in maintenance and major works to protect and enhance our assets. Works for critical, long-term capital improvements to the club’s bathrooms, members lounge, and security systems were completed that will ensure they serve our community for years to come.

The Club provides an all important food and beverage service at a net cost targeted to uplift our post-sailing and other member events experience. These costs are partly offset by offering the recently renovated Harbourview room and adjoining facilities to target high-margin private venue hire.

Looking ahead, we are continuously focused on improving all areas of the Club’s amenities to benefit the entire membership. Our plans next financial year for the replacement of the rigging deck and the Australian Sailing Team entrance is an important part of our infrastructure programme. It is just one of many ongoing projects, including our website upgrade and phased marina electrical pedestal replacements, designed to enhance our facilities across the board. We are committed to ensuring that every part of the Club remains a great venue and facility for everyone to enjoy.

None of these achievements would be possible without the dedication of our small team. I would like to extend my sincere thanks to all of our staff for their hard work and professionalism. I also wish to thank the Board and our various sub-committees for their ongoing guidance and support. Most importantly, thank you to our incredible volunteers, whose countless hours on and off the water keep our racing safe and our club vibrant.

MHYC represents a fantastic lifestyle and a unique community where we share a passion for the water. The foundations are firmly set, and I look forward to another strong, prosperous year together.

Andrew Forbes
Chief Executive Officer

CHAIRMAN'S REPORT

NEIL DRABSCH

On behalf of the Board of Directors, I am pleased to present the Club's 2026 Annual Report.

Over the past year our priority has been clear, to continue investing in the Club so that it provides an even better experience for our members, whether they come to sail, race, socialise or simply enjoy our magnificent waterfront setting.

The response from members has been extremely encouraging. The improvements made to our facilities in recent years have been warmly embraced, participation in racing and Club events has continued to grow, and there is a renewed energy around the Club that is evident both on the water and ashore. Seeing members and their families spending more time at the Club and enjoying everything it has to offer is the strongest measure of our success

Importantly, this progress has been achieved while further strengthening the Club's financial position, ensuring we remain well placed to continue investing in our facilities, services and sailing programs for many years to come.

Despite operating with limited resources, management has delivered significant improvements during the year. These include further enhancements to the beachfront members' area and bathroom facilities, upgraded security access systems and the acquisition of a new start boat to support our racing program. These investments not only meet the core needs of our sailing community but also make the Club a more attractive and functional venue throughout the year. It has been particularly pleasing to see our major regattas, charity events and social activities so well supported and enjoyed by members, their families and guests. My sincere thanks go to the skippers, crews and volunteers whose enthusiasm and commitment make these events so successful.

The financial results outlined in this report demonstrate another positive year. Operating cash flow exceeded budget, supported by the continued strong performance of our marina, the optimisation of commercial tenancy income and prudent management of operating costs. As planned, expenditure on major capital works and repairs was considerably lower than in previous years. This has enabled the Board to reintroduce a debt reduction program as more stable and predictable cash flows have emerged.

Over many years, members have provided the financial foundation for many of the Club's major capital projects through investment in the debenture program, the purchase of long-term marina berth licences and, more recently, generous donations to the MHYC Foundation Trust. Debenture debt has now reduced to $4.65 million and we expect to accelerate debt repayments as cash flow permits. On behalf of the Board, I extend our sincere appreciation to the many members who continue to support the Club through reinvestment in debentures and ongoing contributions to the MHYC Foundation.

The Board is committed to maintaining the highest standards of governance by acting ethically and responsibly, managing risk, protecting the Club's assets and ensuring transparency and integrity in reporting. Working closely with management and our committees, the Board regularly reviews the Club's strategic direction and long-term plans to ensure we continue to deliver value for members. I also acknowledge and thank our committee members, whose experience, dedication and many hours of voluntary service make an invaluable contribution to the Club.

The age of our buildings and working deck areas requires continued investment to ensure they remain safe, functional and fit for purpose. During the coming year we have budgeted approximately $500,000 for the replacement of the rigging deck together with other essential property repairs and maintenance. While the Club remains financially sound, current economic conditions and market uncertainties require us to maintain a prudent approach to future expenditure. Our priority remains preserving the Club's financial strength while continuing to provide quality sailing, racing and member services at an affordable cost, encouraging greater participation and enjoyment across all aspects of Club life.

This year we also acknowledge the outstanding service of two retiring directors. I extend my sincere thanks to Tracy Richardson, who retires from the Board and the Finance & Risk Committee after three years of dedicated service. I also pay special tribute to Peter Lewis, who retires from the Board after nine years of distinguished volunteer leadership. Since 2014, Peter has made an exceptional contribution to the Club through governance reform, long-term sustainability planning and strategic development. His service as Club Captain, Commodore and Director was particularly significant during periods when the Club faced financial and governance challenges. His leadership, sound judgement and unwavering commitment have helped position the Club for a strong and sustainable future.

As we celebrate our 87th year as one of Sydney Harbour's premier sailing clubs, we are well placed to continue building on our achievements and pursuing our long-term objectives.

My sincere thanks go to my fellow Directors, our Flag Officers and management for their commitment, guidance and countless hours of service throughout the year. I also acknowledge the invaluable contribution of our many volunteers, whose dedication continues to underpin the success of the Club.

Finally, on behalf of the Board, I thank all our members for their continued support, loyalty and enthusiasm, which remain the foundation of our Club's success.

With a strong financial foundation, committed volunteers, dedicated staff and an engaged membership, we look forward with confidence to another successful year for Middle Harbour Yacht Club.

COMMODORE'S REPORT

ROB ALDIS

I am again delighted to present my report as the Commodore of Middle Harbour Yacht Club and to say a big thank you to all the members, sailors, volunteers and staff that have participated to make the year both successful and enjoyable. A special acknowledgement and thanks to Andy Forbes and David Staley for their continued leadership of the Club Management and Sailing activities.

Overall sailing and fleet participation this year was consistent with last season. Although regular weekend racing numbers are still low, our revised race fee schedule successfully drove a welcome increase in both Wednesday and Thursday Twilight fleets, creating an excellent post-race atmosphere at the club. Operationally, we relocated the Thursday Twilight start and finish lines to Hunters Bay to alleviate congestion near the clubhouse and minimise risk on the start line. Given the success of this move, we will also trial relocating the Wednesday starts to the Chinamans Beach area.

The Combined Clubs' events are well supported by MHYC yachts which continue to perform at the head of the fleet. It is proposed to add to the combined club's program in future years.

The Sydney Harbour Regatta (SHR) sponsored again this year by Nautilus Marine was again a great success, a special thanks to past Commodore Ian Box for his role as the Regatta Chairman and to all Sydney Harbour Yacht Clubs for their support and contribution. The SHR is an excellent example of what can be achieved by Yacht Clubs working together to encourage participation in yacht racing on Sydney Harbour.

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

The club continued its tradition of hosting charity regattas and many thanks to the member yachts who generously participated with their yachts and contributed to a great day out on the water for all guests of the charities.

North Queensland and Port Stephens Regattas were well attended by MHYC yachts and crew, with several of our yachts achieving podium positions in the respective divisions.

Podium results were achieved by Rob Carr's *Jambo*, David Hamilton's *Seeking Alpha*, Gordon Ketelby's *Zen* and Rob Aldis's *Daguet 2.*

The Club has installed a security gate to restrict out of hours access to the club whilst maintaining keycard marina access for members. Further refinements are being considered to enhance club amenity and facilities for members as well as attract new members to the club.

Many thanks to the Flag Officers for their support and activity during the year. Gerald Nicolls as Vice Commodore Cruising, Sebastian Hultin as Vice Commodore Youth Sailing and Club Captain, Bryan Moore who is looking to increase club social events in the next year. The Barefoot Ball was a great success this year and Bryan is considering additional similar events to take advantage of the superb" beach club" location during the next year for the enjoyment of members and their guests. Mitch White resigned as Vice commodore Racing in December last year and I wish to thank him for his contribution and enthusiasm during his tenure in this role. I look forward to continuing to work together with the flags officers to improve the sailing and social environment at Middle Harbour Yacht Club.

Our sailing activities would not be possible without the hard work and dedication of our Volunteers, the Race Management team, and Sailing Office, a huge thank you to them all for their continued excellent contribution and effort, often in difficult circumstances, successfully and safely manage the many races and regattas held by the club.

Yours in Sailing
Rob Aldis (Commodore)

2025 - 2026 SAILING SEASON REVIEW

Middle Harbour Yacht Club delivered another busy and rewarding year of sailing in 2025-2026.

Midweek Sailing

The club's weekday sailing program features relaxed, social post-race activity following the Wednesday, Thursday and Friday races and is a core part of the sailing program.

Forty nine races were scheduled in the four Pacific Rigging Wednesday Series this season. Only two races during Series 1-3 were abandoned and an average of twenty starters were attracted to each race. With one more series to complete at the time of writing, series divisional winners have so far been *Gambler* (Garth Riley), *Zen* (Gordon Ketelbey) and *Austmark* (Gunther Schmidt-Lindner) in Division 1, along with *Trilogy* (Don Colantonio), *Martela* (Chris Skinner) and *Onya* (Charles Caskey) in Division 2. An ORC pointscore based on elapsed time was also introduced this year, now attracting the majority of pursuit race entrants.

The Twilight Pursuit Series had thirty boats starting most Thursday evenings during daylight saving and included six races in the Smithy's Waterproofing Women's Helm competition. Only two of the pointscore races were abandoned due to weather conditions and all the Women's Twilight races were sailed. Twilight Pursuit Series winners were *S1* (Andrew Hurt) Div 1, *Impulse* (Derek Minihane) Div 2, *Freedom* (Steve Smith) Div 3 and *Single Malt* (Peter Gilliland) Div 4. In the Women's Helm Series, the winners were *Gambler* (Nat Leung) Div 1, *Impulse* (Deb Kelly) Div 2, *Freedom* (Louise Richards) Div 3 and *Elysium* (Betty Doughty) Div 4.

Entry numbers for the Friday Twilight Series were disappointing this season and a change of format focusing on smaller keelboats (mainly J/24s and Melges 20s) is planned for next year.

Saturday Pointscore Racing

The club's Annual Inshore Pointscore series again saw 18 boats contest the three divisions. Races were held in conjunction with the Combined Clubs Inshore Series that attracted 52 series entrants with race management shared between the clubs. MHYC had some standout results in the interclub competition with *Toy Box 2* (Ian Box) winning Division 1 on ORC, while *Advanced Philosophy* (Peter Sorensen) claimed the IRC and PHS titles. In Division 2, *Impulse* (Derek Minihane) was best overall on IRC. *Innamincka* (John Crawford) claimed the ORC win in Division 3 with *MRX* (Geoff Pearson) taking the PHS and IRC honours. Altogether, another year of strong competition by MHYC boats.

The Sydney Harbour Sprint Series also contributed race results towards the Inshore Pointscore with three short windward-leeward races held each race day. Poor weather unfortunately forced the abandonment of one race day this year.

MHYC's Ocean Pointscore Series was again held in conjunction with the SSORC Regatta and the CYCA Summer Short Ocean Series. *Nine Dragons* (Bob Cox) convincingly won the series on IRC, ORC and PHS.

MHYC Feature Events

Ten Feature Events were scheduled for the 2025-2026 season. Unfortunately, the two most popular events were impacted by weather this season. The Seven Islands Race in November was a very brief affair with very strong winds causing the race to be shortened. The Chaos Cup in January was abandoned due to extreme heat and forecast strong and gusty winds. The Harbour Trek and ANZAC Day Two Up Cup attracted good fleets. The variety of courses and the ability for boats to enter with or without spinnakers make these events interesting and appealing.

2025 - 2026 SAILING SEASON REVIEW

Women's Sailing

MHYC was again involved with the Sydney Harbour Women's Keelboat Series, running the second race of the series in conjunction with the MHYC Women's Regatta on October 19. The SHWKS Passage Race followed two short windward-leeward races, all sailed in fresh breezes.

Along with the Smithy's Waterproofing Women's Twilight Series, the club seeks to develop other opportunities for women to progress in the sport and has hosted a Women's Sailing Forum in February and a SheSails Mentoring & Pathways Workshop in May.

MHYC Keelboat Regattas

The The club hosted four 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, only possible thanks to MHYC boat owners and their crews making their yachts available.

MHYC once again hosted a successful Adams 10 (NSW v VIC) Waitangi Cup in October with NSW claiming a narrow win. The International J/24 NSW Championships were conducted the following month using the Vakaros technology to be used for the subsequent Australian and World Championships.

The 2025 Nautilus Marine Insurance Sydney Short Ocean Racing Championship was contested by 22 performance yachts. Joshua Alexander's GP42 Back 2 Black, recently returned from representing Australia in the Admiral's Cup, made a clean sweep of the three races to win Division 1. Neil Padden's Beneteau 40.7 Wailea sailed consistently to claim the Division 2 trophy.

Held on March 7 & 8, the 2026 Nautilus Marine Insurance Sydney Harbour Regatta celebrated its 21st Anniversary.

Among the fourteen divisions racing across seven course areas were the Australian Fareast 28R Championships, NSW Sydney 38 Championships and NSW Cavalier 28 Championships. The event involved about 750 competitors and 75 race management volunteers.

This large annual event would not be possible without the support of eight kindred clubs and principal partner Nautilus Marine Insurance. Thanks also to Major Sponsor Yachting Holidays -Australian Agent for Sunsail, along with supporting sponsors Zhik & Kieser.

Race Management

MHYC has long held a reputation for excellent racing, supported by a core group of experienced race management volunteers and officials. After many years of service, the club's principal Halvorsen Start Boat *Hugh S George* was finally retired and, with the financial support of key members, has been replaced by the Caribbean 35 officially named *Legacy* at the club's Season Opening Day in September. The club's Arvor 28 *Jack Stening* serves as the primary course boat and secondary start boat.

Non-MHYC Regattas

MHYC boats performed well at the 2026 Pittwater Regatta and NSW ORC Championships organised by Royal Prince Alfred Yacht Club in February. Seven MHYC boats represented, with the best performance by David Hamilton's Farr 40 *Seeking Alpha,* claiming second place in ORC Division 1 behind John Bacon's *Crazy Diamond*. Best in ORC Division 2 was Neil Padden's *Wailea* in fifth. Phil Dash's Grand Soleil 40 *Just A Dash* also made its regatta debut with a top ten finish in the Pittwater Cup Division 2.

In the Sail Port Stephens Commodores Cup Passage Series this year, MHYC was proudly represented across the fleet, with boats delivering excellent performances in both PHS and ORC divisions. Rob Carr's *Jambo* was the standout performer, maintaining impressive consistency throughout the regatta to secure the Division 1 win.

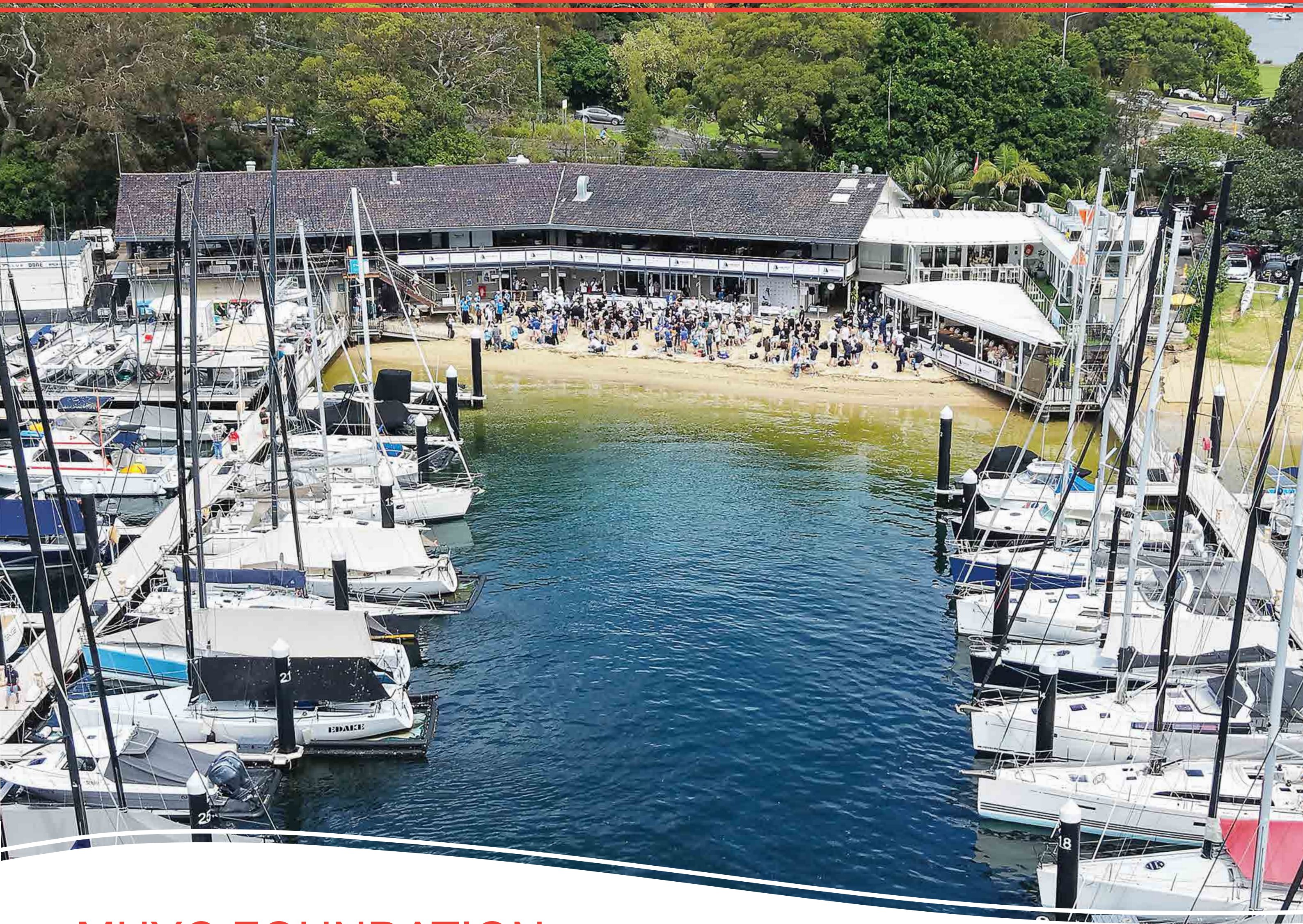
We look forward to the club again being well represented at this year's Airlie Beach Race Week, Hamilton Island Regatta and Magnetic Island Race Week.

Celebrating Achievements and Contributions

The Annual Keelboat Prizegiving on Saturday 2nd May was a wonderful evening to celebrate the achievements of MHYC sailors throughout the 2025-2026 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 officer and race management volunteer Rob Armstrong.

Other Special Awards included the MHYC Flag Officers Participation Award presented to *Wailea* (Neil Padden), the Crew Member of the Year Award to Bill King (*Toy Box 2*) and the Norman G Booth Award to John Crawford (*Innamincka*). The Jules Trophy for Yachtswoman of the Year was presented to Rhoslyn Humphreys, while the Tig Thomas Distinction Trophy was awarded to Gordon Ketelbey, the owner and skipper of the TP52 and Farr 40 both named *Zen*.



MHYC FOUNDATION

REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

The MHYC Foundation remained active during the year receiving $86,020 in donations allowing the Foundation to provide grants totalling $92,623 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 noting the support provided this year to the Club's new start boat, Legacy.

While the Foundation is independent of the MHYC, the Club is the sole beneficiary of the Foundation Trust, its main purpose being:

Purpose of the Foundation

- To create a permanent Fund to be administered independently from the Club; and
- 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 2025

	2025	2024
FLYAS Youth Sailing Fund	79,198	71,360
Revitalisation Fund	41	41
Vessel Replacement	-	3,836
General Fund	41,075	58,569
Total Funds	**$120,314**	**$133,806**

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.

FINANCIAL HIGHLIGHTS

$’000’s

	REVENUE	OPERATING EXPENSES *	OPERATING PROFIT * Before Interest and Depreciation
	$3,652	$2,659	$993
	4.8%	-1.4%	25.9%
	(2025: $3,486)	(2025: $2,698)	(2025: $789)

BORROWING EXPENSE	DEBENTURE DEBT	NET PROFIT/(LOSS) *
$280	$4,665	- $67
6.8%	-$240K	39.1%
(2025: $262)	(2025: $4,905)	(2025: -$48)

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

MIDDLE HARBOUR YACHT CLUB LIMITED

ABN: 95 000 248 887

CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 April 2026

DIRECTORS' REPORT

FOR THE YEAR Ended 30 April 2026

The Directors present their report on Middle Harbour Yacht Club Limited for the financial year ended 30 April 2026.

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	Resigned 22/04/2026
J Stening	Director	Resigned 23/07/2025
R Carr	Director	

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 $85,567 (2025: $68,702) after charging $895,024 (2025: $689,593) for depreciation and amortisation.

Profit before income tax, interest and depreciation for the year was $1,144,590 (2025: $940,037).

In accordance with AASB 16 Leases the Club has recognised an amortisation expense on right-of-use assets of $114,548 (2025: $114,548) and finance costs in relation to the lease liability of $55,494 (2025: $57,388).

Principal activities

The principal activities of the Club 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 Club's activity occurred during the financial year.

Indemnifying and Insurance of Officers

During the financial year, the Club paid a premium to the value of $4,060 (2025: $4,095) for Management Liability Insurance. The Club has indemnified the directors of the Club for costs incurred in their capacity as a director or officer, for which they may be held personally liable, except where there is a lack of good faith. The policy provides an annual aggregate limit of $5,000,000.

DIRECTORS’ REPORT

FOR THE YEAR Ended 30 April 2026

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 2026

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	5
P Lewis	5	5
P Delany	5	5
T Richardson	5	5
J Stening	1	1
R Carr	5	5

Environmental issues

The Club'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 Club, 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 Club's constitution.

At 30 April 2026 the collective liability of members was $74,200 (2025: $ 75,200).

DIRECTORS' REPORT

FOR THE YEAR Ended 30 April 2026

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 Club, the results of those operations or the state of affairs of the Club in future financial years.

Dividends

The Club 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 Club or intervene in any proceedings to which the Club is a party for the purpose of taking responsibility on behalf of the Club for all or part of those proceedings.

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

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 2026 has been received and can be found on page 5 of the financial report.

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

Director:	Director: ....
N Drabsch	R Aldis

Dated: 24 JUNE 2026

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 and its controlled entities

I declare that, to the best of my knowledge and belief, during the year ended 30 April 2026, 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.

PKF

KYM REILLY
PARTNER

24 JUNE 2026
SYDNEY, NSW

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR Ended 30 April 2026

	Note	2026 $	2025 $
Revenue	4	**3,618,190**	3,477,021
Other income		**33,830**	9,372
Cost of sales		**(238,089)**	(251,482)
Employee benefits expense		**(1,143,886)**	(1,186,498)
Cleaning		**(34,818)**	(29,639)
Regatta and sponsorship expenses		**(105,621)**	(122,853)
Insurance		**(207,394)**	(215,606)
Rates and utilities		**(102,808)**	(107,168)
Rental and leasing outgoings		**(45,763)**	(52,986)
Repairs and maintenance		**(277,356)**	(253,534)
Other expenses		**(351,695)**	(326,590)
Profit before income tax, interest, depreciation and amortisation		**1,144,590**	940,037
Finance costs	5	**(335,133)**	(319,146)
Depreciation,amortisation and impairments	5	**(895,024)**	(689,593)
Loss before income tax		**(85,567)**	(68,702)
Income tax expense	2(i)	**-**	-
Loss for the year		**(85,567)**	(68,702)
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 (loss)/income for the year		**(85,567)**	4,413,162

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 APRIL 2026

	Note	2026 $	2025 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	**1,268,057**	1,016,512
Trade and other receivables	7	**49,225**	45,974
Inventories		**18,545**	19,582
TOTAL CURRENT ASSETS		**1,335,827**	1,082,068
NON-CURRENT ASSETS			
Other financial assets	8	**41,596**	41,596
Property, plant and equipment	9	**17,768,848**	18,334,002
Right-of-use asset	10	**2,558,247**	2,672,795
TOTAL NON-CURRENT ASSETS		**20,368,691**	21,048,393
TOTAL ASSETS		**21,704,518**	22,130,461
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	**328,091**	313,643
Borrowings	12	**1,655,000**	1,400,000
Employee benefits		**62,993**	48,582
Lease liabilities	10	**97,696**	92,010
Other liabilities	13	**31,215**	72,641
TOTAL CURRENT LIABILITIES		**2,174,995**	1,926,876
NON-CURRENT LIABILITIES			
Borrowings	12	**3,010,000**	3,505,000
Lease liabilities	10	**2,624,949**	2,726,398
Employee benefits		**56,222**	48,268
TOTAL NON-CURRENT LIABILITIES		**5,691,171**	6,279,666
TOTAL LIABILITIES		**7,866,166**	8,206,542
NET ASSETS		**13,838,352**	13,923,919
EQUITY			
Reserves		**17,087,131**	17,087,131
Accumulated losses		**(3,248,779)**	(3,163,212)
TOTAL EQUITY		**13,838,352**	13,923,919

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR Ended 30 April 2026

		Accumulated losses	Reserve	Total
		$	$	$
Balance at 1 May 2025		**(3,163,212)**	**17,087,131**	**13,923,919**
Loss for the year		**(85,567)**	**-**	**(85,567)**
Balance at 30 April 2026		**(3,248,779)**	**17,087,131**	**13,838,352**
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

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR Ended 30 April 2026

	Note	2026 $	2025 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**3,935,345**	3,821,675
Payments to suppliers and employees		**(2,827,340)**	(2,757,395)
Interest received		**7,757**	9,826
Finance costs		**(279,639)**	(261,758)
Net cash provided by operating activities	21	**836,123**	812,348
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		**(215,322)**	(106,678)
Proceeds from sale of property, plant and equipment		**22,000**	-
Net cash used in investing activities		**(193,322)**	(106,678)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net repayment of debentures		**(240,000)**	(15,000)
Repayment of lease liabilities		**(151,256)**	(151,256)
Net cash used in financing activities		**(391,256)**	(166,256)
Net increase in cash and cash equivalents held		**251,545**	539,414
Cash and cash equivalents at beginning of year		**1,016,512**	477,098
Cash and cash equivalents at end of financial year	6	**1,268,057**	1,016,512

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR Ended 30 April 2026

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 2026 the Club reported current liabilities of $2,174,995 which was greater than current assets of $1,335,827. This resulted in net current liabilities of $839,168 (2025: $844,808), of which $1,655,000 (2025: $1,400,000) 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.

2 Summary of Material Accounting Policies (cont'd)

(c) Revenue and other income

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 Club 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR Ended 30 April 2026

2 Summary of Material Accounting Policies (cont'd)

(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.

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.

2 Summary of Material Accounting Policies (cont'd)

(g) Financial instruments

Financial instruments are recognised initially on the date that the Club 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 Club classifies its financial assets into the category measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Club 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.

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 Club 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 Club's historical experience and informed credit assessment and including forward looking information.

2 Summary of Material Accounting Policies (cont'd)

(g) Financial instruments (cont'd)

Financial assets (cont'd)

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.

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.

2 Summary of Material Accounting Policies (cont'd)

(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.

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.

2 Summary of Material Accounting Policies (cont'd)

(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.

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 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. The Directors have assessed market conditions as at 30 April 2026 and believe the carrying value of the assets correctly reflect their fair value at 30 April 2026.

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 22 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 re-signed 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 2026

4 Revenue and Other Income

	2026	2025
	$	$
- Rendering of services	**688,106**	704,713
- Marina rentals	**1,829,667**	1,729,143
- Mooring rentals	**48,213**	42,989
- Bar and catering revenue	**412,422**	447,841
- Other miscellaneous sales revenue	**10,125**	9,568
- Interest income	**7,757**	9,826
- Commercial rental income	**438,532**	402,744
- Donations	**93,623**	89,197
- Grant received	**40,000**	-
- Council carpark revenue	**49,745**	41,000
	3,618,190	3,477,021

5 Result for the Year

The result for the year includes the following specific expenses:

	2026	2025
Finance costs		
- Interest expense on debentures	**279,639**	261,758
- Interest on lease liabilities	**55,494**	57,388
	335,133	319,146
Depreciation and amortisation expense		
- Depreciation of property, plant and equipment	**780,476**	575,045
- Amortisation of right-of-use assets	**114,548**	114,548
	895,024	689,593

6 Cash and cash equivalents

	2026	2025
Cash on hand	**6,426**	6,426
Cash at bank	**1,261,631**	1,010,086
	1,268,057	1,016,512

7 Trade and other receivables

	2026	2025
CURRENT		
Trade receivables	**31,825**	12,231
Other receivables	**17,400**	33,743
	49,225	45,974

8 Other Financial Assets

	2026	2025
NON-CURRENT		
Held at amortised cost		
Security deposits	**41,596**	41,596

9 Property, plant and equipment

	2026	2025
	$	$
BUILDINGS, MARINA AND MOORINGS		
Clubhouse and leasehold premises		
At fair value	**5,496,002**	5,484,686
Less: accumulated depreciation	**(219,644)**	-
	5,276,358	5,484,686
Marina and moorings		
At fair value	**12,515,314**	12,515,314
Less: accumulated depreciation	**(505,823)**	-
	12,009,491	12,515,314
Total buildings, marina and moorings	**17,285,849**	18,000,000
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	**1,354,175**	1,331,615
Less: accumulated depreciation	**(871,176)**	(997,613)
	482,999	334,002
Total property, plant and equipment	**17,768,848**	18,334,002

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
	$	$	$	$
2026				
Balance at the beginning of year	5,484,686	12,515,314	334,002	18,334,002
Additions	11,316	-	204,006	215,322
Depreciation expense	(219,644)	(505,823)	(55,009)	(780,476)
Balance at the end of the year	5,276,358	12,009,491	482,999	17,768,848

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR Ended 30 April 2026

10 Leases

Right-of-use assets

	2026 $	2025 $
Year ended 30 April 2026		
Balance at beginning of year	**2,672,795**	**2,787,343**
Depreciation charge	**(114,548)**	**(114,548)**
Balance at end of year	**2,558,247**	**2,672,795**

The Club subleases the Ground Floor Cafe and the First Floor Quarter Deck room for a period of 5 years, commencing 15 June 2022 with the sub-lessee holding an option to extend the lease term for another 8 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 $
2026					
Lease liabilities	**151,257**	**605,206**	**2,621,781**	**3,378,244**	**2,722,645**
2025					
Lease liabilities	151,257	605,026	2,773,037	3,529,320	2,818,408

11 Trade and other payables

Unsecured liabilities		
Trade payables	**70,191**	55,971
Sundry payables and accrued expenses	**257,900**	257,672
	328,091	313,643

12 Borrowings

	2026	2025
	$	**$**
CURRENT		
Secured liabilities:		
Debentures	**1,655,000**	1,400,000
NON-CURRENT		
Secured liabilities:		
Debentures	**3,010,000**	3,505,000

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:

	2026	2025
- Marina and moorings	**12,009,491**	12,515,314
- Leasehold premises and club house	**5,276,358**	5,484,686
- Other property plant and equipment	**482,999**	334,002
	17,768,848	18,334,002

13 Other liabilities

	2026	2025
CURRENT		
POS liability	**7,536**	7,981
Grants received in advance	**-**	40,000
Customer deposits	**23,679**	23,679
Prepaid berths guarantee fees	**-**	981
	31,215	72,641

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

	2026 $	2025 $
Financial Assets		
Held at amortised cost		
Cash and cash equivalents	**1,268,057**	1,016,512
Trade and other receivables	**49,225**	45,974
Other financial assets	**41,596**	41,596
Total financial assets	**1,358,878**	1,104,082
Financial liabilities		
Held at amortised cost		
Trade and other payables	**328,091**	313,643
Borrowings	**4,665,000**	4,905,000
Lease liabilities	**2,722,645**	2,818,408
Total financial liabilities	**7,715,736**	8,037,051

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	**208,949**	182,902
Long-term benefits	**24,798**	20,895
	233,747	203,797

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

16 Related Parties

(a) The Club'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 Remuneration.

(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:

	2026	2025
	$	$
(i) Revenue from services		
Revenue from monthly berth fees	**12,126**	29,892
(ii) Debentures		
Debentures payable	**320,000**	320,000
Debentures interest payable	**18,450**	14,530

17 Fair Value Measurement

The Club 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	**5,496,002**
	18,011,316

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. No additional valuation has been performed at 30 April 2026 as the directors believe the valuation is still reflective of the fair values of the above assets. 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 (2025: $41,596).

19 Controlled Entities

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2026	Percentage Owned (%)* 2025
Parent Entity:			
Middle Harbour Yacht Club Limited	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.

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.

	2026 $	2025 $
Statement of Financial Position		
Assets		
Current assets	**1,335,827**	1,082,068
Non-current assets	**20,368,691**	21,048,393
Total Assets	**21,704,518**	22,130,461
Liabilities		
Current liabilities	**2,174,995**	1,926,876
Non-current liabilities	**5,691,171**	6,279,666
Total Liabilities	**7,866,166**	8,206,542
Equity		
Accumulated losses	**(3,248,779)**	(3,163,212)
Asset revaluation reserve	**17,087,131**	17,087,131
Total Equity	**13,838,352**	13,923,919

21 Cash Flow Information

	2026	2025
Reconciliation of net income to net cash provided by operating activities:		
Loss for the year	**(85,567)**	(68,702)
Non-cash flows in profit:		
- depreciation and amortisation	**895,024**	689,593
- interest on lease liability	**55,494**	57,388
- disposal of PPE	**(22,000)**	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**(3,251)**	(18,555)
- (increase)/decrease in inventories	**1,036**	(3,035)
- (increase)/decrease in trade and other payables	**14,448**	97,134
- (increase)/decrease in other liabilities	**(41,426)**	16,238
- (increase)/decrease in provisions	**22,365**	42,287
Cashflows from operations	**836,123**	812,348

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR Ended 30 April 2026

22 Events after the end of the Reporting Period

The financial report was authorised for issue on 24 June 2026 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 6 to 26, 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 2026 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: 24 JUNE 2026

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 2026

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF Middle Harbour Yacht Club Limited and its controlled entities

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Middle Harbour Yacht Club Limited (the Club) and its controlled entities, which comprises the consolidated statement of financial position as at 30 April 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated 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 consolidated club's financial position as at 30 April 2026, 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 Club 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 Club, 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 consolidated Club's annual report for the year ended 30 April 2026 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 Club 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 Club'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 Club 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 Club'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 Club’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 Club 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

PKF

KYM REILLY
PARTNER

24 JUNE 2026
SYDNEY, NSW