Income: Income was down for the year against budget expectations across the whole range of income sources for the Squadron. This reflects the general stagnation in trading and memberships during the year. Our income depends on an active and growing membership. The provision of services and their efficiency must be matched to the needs and wants of Members, which in turn will ensure that our excellent facilities are well and frequently used.

Operating Expenses: It will be seen that expenditure under the ambit of the various committees was generally within budget expectations. The dredging project ran slightly over budget, although more spoil was removed than originally planned. In the long term this will be a benefit. The high overhead costs are a major concern, and have come in well over budget for the year. The major areas were in Salaries–Administration, due to the consequences of the early and unpredicted retirement of the Manager.

Capital expenses: The trading loss of $5,908 compounded the problem of financing the capital expenditure required to maintain and develop the infrastructure at Outer Harbor. In the absence of sales of marinas and berths, the scheduled loan repayments have had to be funded from cash flow. Clearly with only break-even trading this is impossible. The effect has been to increase short-term borrowings at the expense of more cost-effective long-term liabilities. This was described in detail to Members at the Special General Meeting in April.

The combination of the above did not escape the attention of our Bankers, the Squadron Management Committee appointed by the General Committee and myself. Quite drastic measures have now been taken and are projected to reverse the situation. They have been summarised in the reports of the Commodore and the various committees, so I will not repeat them in detail.

Annual subscriptions have been increased by 15%, and a one-off levy of 40% on subscriptions and fees applies from 1 May 1996. For budgeting purposes we have allowed for a drop in membership of 15%. It was hoped at the time that this was only a contingency, and it is pleasing that at the time of writing the loss of Members and the downgrading of their status is running well below this figure.

Trading income is budgeted to be slightly higher than the actual situation for the 1995–96 financial year. On the expenses side, major reductions are planned in overheads and in Committee expenses.

The dining room has been closed temporarily, so that these overheads have ceased. The House and Social Committee has arranged for light snacks to be available. If this facility is better patronised a more cost-effective dining room will be re-established. The bar now operates without permanent staff, as previously bar turnover was not enough to cover relevant overheads. As explained in the report from the Office, slipping is now run independently by Sam Clohessy. Ground staff have been reduced. All services are now on the basis of cash, cheque or credit card at point of sale, which in time will significantly reduce the costs of administration. The new computer system is being brought on line, but this factor, combined with the peak work load in the Office in processing annual subscriptions has meant that savings in the working hours of administration are yet to occur. The Sailing, Cruising and Junior Committees now operate independently of the general administration, and the Sailing Director's consultancy has been terminated. As the efficiencies work through the system, staffing will be rationalised.

Members have responded very well indeed by promptly paying annual subscriptions, well ahead of the amounts received at the same time in previous years. This has significantly reduced overdraft and interest charges, with obvious benefit to all. *Scotty* has been sold and generously lent back at no expense to the Squadron; and an 11-metre marina berth has been sold for $22,500.

In conclusion, the Squadron is an old organisation, and naturally has had a momentum of its own. Looking back, it has been slow to respond to the financial pressures which have been facing it. I am now confident, however, that there is a clear path forward for the organisation. Support from Members generally and from the Committees has been exceptional. Staff are to be congratulated and thanked for the way they have risen to changed circumstances and the difficult adjustment period which has occurred. Mr Jim Boucaut, the Acting Manager, is to commended for his leadership and his steady control of daily operations as the Squadron moves toward better trading performances.

A significant benefit should be stressed. We will need to do more for ourselves by way of working bees and similar voluntary effort. Quite apart from the cost savings which will result, this will do a lot to make us a more cohesive organisation. I foresee wider and closer friendships developing within our club from the ways in which we will respond to our situation.

In common with other adversities the Royal South Australian Yacht Squadron has faced in its 125 years, the current period will be looked back on as a turning point in its continued evolution. SQ

Let me...Cruise

Let me not waste one drop of water I might later need.
Let me check every light with the chart — twice.
Let me apportion my strength that I am always fit to save my ship.
Let me call for help, if I must, before it becomes hazardous for my rescuers.
Let me not leave port on a Friday, if it is raining, or if liquid refreshments are at a dangerously low level.

Murray Swann Ex *Sylph VI*

Right: At the Twenty-Year Members' Dinner: Cate Burk, Murray Swann, Ion Ullett and Chris Von Der Borch.