

LAKE MACQUARIE YACHT CLUB
(ACN 000 805 265)

FINANCIAL REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2015

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LAKE MACQUARIE YACHT CLUB
(ACN 000 805 265)
DIRECTORS' REPORT

Your Directors present their report for the financial year ended 28 February 2015.

1. The names of the Directors in office at any time during or since the end of the year are:

Name	Position	No. of years service as a Director of the Company
Doug Coulter	Commodore	14
William Chaseling	Vice Commodore	6
Brian Varnam	Rear Commodore	4
Phillip Cunningham	Club Captain	8
Edwin Hillier	Treasurer	7
Russell Cummings (ceased May 2014)	Director	14
Geoffrey Burt	Director	10
Geoff Edman	Director	4
Gary Boyd	Director	4
Daniel Hunt	Director	8
Noel Jenkins	Director	12
Robert Brown	Director	2
Richard Roberts (appointed November 2014)	Director	1

2. Objectives of the Company

The Club's short and long term objectives are;

- To encourage and promote the sport of amateur yachting and boating and cruising for pleasure and the sailing of yachts and boats;
- To establish and maintain a Club and to provide all or any of the amenities, facilities, conveniences and other advantages of a club including residential and other accommodation, laundries, libraries, and reading rooms and sports, games and recreation of all kinds and description both indoor and outdoor;
- To promote, foster, encourage and support social activities of all kinds and descriptions amongst Members of the Club and in particular for such purposes to promote, give and provide concerts, entertainments and amusements, banquets, dinners, balls and dances;
- To promote either alone or jointly with any other club association or persons and conduct races, matches, competitions and exhibitions in relation to yachting and boating, yacht racing and boat racing and to give or contribute to prizes and trophies and to guarantee prize money and expenses in connection with any such races, matches, competitions and exhibitions and generally to foster, promote, encourage and support the sports of yachting and boating, yacht racing and boat racing provided that no Member of the Club shall receive any prize, award or distinction except as a successful competitor at any match, sporting event, trial or competition held or promoted by the Club or to the cost of the holding or promotion of which the Club may have subscribed out of its income or property, and which under the regulations affecting the said match, sporting event, trial or competition, may be awarded to him;

These strategies are measured through both financial and non financial key performance indicators that have been developed relevant to the club industry.

3. Results

The net result of operations, after applicable income tax, was a profit of \$26,756 (2014 loss of \$57,409).

4. Directors' Benefits

Since the end of the previous financial year no Director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due to be received by Directors shown in the accounts or received as the fixed salary of a full time employee of the Club) by reason of a contract made by the Club or by a related corporation with the Director or with a firm of which they are a member, or with a Company in which they have a substantial financial interest, other than those included in the Related Parties note to the Financial Report (Note 17).



AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
LAKE MACQUARIE YACHT CLUB

I declare that, to the best of my knowledge and belief, during the year ended 28 February 2015 there have been:

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

A handwritten signature in black ink, appearing to read 'Brent Perkins'.

Brent Perkins - Partner

A stylized logo for DFK Crosbie Partners, featuring the letters 'DFK' in a large, bold font with 'Crosbie Partners' written in a smaller font below it, all in a light grey or blue color.

DFK Crosbie Partners
Chartered Accountants

Dated: 28 April 2015
Warabrook, NSW

Liability limited by a scheme approved under the Professional Standards Legislation



A member firm of DFK International a worldwide association of independent accounting firms and business advisers

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INDEPENDENT AUDIT REPORT TO MEMBERS

To the Members of Lake Macquarie Yacht Club

Report on the Financial Report

We have audited the accompanying financial report of Lake Macquarie Yacht Club, which comprises the Statement of Financial Position as at 28 February 2015, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cashflows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Directors' declaration.

Directors' Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations adopted by the Australia Accounting Standards Board and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporation Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been provided to the Directors of Lake Macquarie Yacht Club would be in the same terms if given to the directors as at the date of this auditor's report.

Matters relating to the electronic presentation of the audited financial report

The auditor's report refers to the financial report of Lake Macquarie Yacht Club (the Company) for the year ended 28 February 2015 included on Lake Macquarie Yacht Club's web site. The Company's Directors are responsible for the integrity of the web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

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INDEPENDENT AUDIT REPORT TO MEMBERS

Audit Opinion

In our opinion;

- (a) The financial report of Lake Macquarie Yacht Club is in accordance with the Corporations Act 2001, including;
- (i) giving a true and fair view of the Lake Macquarie Yacht Club's financial position as at 28 February 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) as described in Note 1 and the Corporations Regulations 2001;

Brent Perkins - Partner

DFK Crosbie Partners
Chartered Accountants

Dated: 30 April 2015
Warabrook, NSW

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LAKE MACQUARIE YACHT CLUB
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DIRECTORS' DECLARATION

The Directors of the Company declare that:

- 1 The financial statements and notes, as set out on pages 8 to 21 are in accordance with the Corporation Act 2001 including:
 - (a) comply with Accounting Standards in Australia, the Corporations Regulations 2001 and other mandatory professional reporting obligations; and
 - (b) give a true and fair view of the Company's financial position as at 28 February 2015 and of its performance for the year ended on that date.
- 2 At the date of this declaration there are reasonable grounds to believe that the Company 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 and signed for on behalf of the Board of Directors by:



Doug Coulter - Commodore



Edwin Hillier - Treasurer

Dated: 28 April 2015

LAKE MACQUARIE YACHT CLUB
(ACN 000 805 265)

STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2015

	Note	2015 \$	2014 \$
CURRENT ASSETS			
Cash and Cash Equivalents	5	272,072	1,358,854
Trade & Other Receivables	6	48,547	63,649
Inventories	7	42,323	45,278
Other Assets	8	115,871	118,848
TOTAL CURRENT ASSETS		478,813	1,586,629
NON-CURRENT ASSETS			
Property, Plant and Equipment	9	4,204,061	2,484,981
TOTAL NON-CURRENT ASSETS		4,204,061	2,484,981
TOTAL ASSETS		4,682,874	4,071,610
CURRENT LIABILITIES			
Trade and Other Payables	10	112,850	86,754
Borrowings	11	587,021	51,391
Provisions	12	120,176	102,835
Other Liabilities	13	120,182	111,350
TOTAL CURRENT LIABILITIES		940,229	352,330
NON-CURRENT LIABILITIES			
Provisions	12	1,163	4,554
TOTAL NON-CURRENT LIABILITIES		1,163	4,554
TOTAL LIABILITIES		941,392	356,884
NET ASSETS		3,741,482	3,714,726
MEMBERS' FUNDS			
Reserves - Funds Acquired from Club		108,104	108,104
Accumulated Profits		3,633,378	3,606,622
TOTAL MEMBERS' FUNDS		3,741,482	3,714,726

To be read in conjunction with the attached notes to the Financial Statements

LAKE MACQUARIE YACHT CLUB
(ACN 000 805 265)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2015

	Note	2015 \$	2014 \$
Bar Sales		946,074	1,031,448
Cost of Goods Sold		344,244	384,554
Bar Gross Profit (\$)		601,830	646,894
Bar Gross Profit (%)		63.6%	62.7%
Poker Machine Net Revenue		102,213	120,843
Sailing Income		66,626	54,815
Marina Fees		415,469	390,538
Interest Received		11,668	51,748
Dividends Received		-	1,484
Rent Received		92,121	101,458
Change in Fair Value of Listed Shares		-	1,200
Member Subscriptions		119,498	107,706
Profit on Sale of Listed Shares		-	14,160
Other		284,404	193,304
Total Trading and Other Income		1,693,829	1,684,150
Expenses			
Bar Direct Expenses		222,726	235,433
Poker Machine Direct Expenses		46,475	56,924
Sailing Expenses		115,755	105,384
Marina Expenses		138,836	147,764
Administration and Other Expenses excluding Finance Costs		1,137,908	1,092,315
Finance Costs		5,373	5,727
Rental Properties Expenses		-	17,370
Loss on the Sale of Investment Properties		-	80,642
Total Expenses		1,667,073	1,741,559
Net Operating Profit/(Loss) Before Income Tax		26,756	(57,409)
Income Tax Expense	1	-	-
Net Operating Profit/(Loss) After Income Tax		26,756	(57,409)
Other Comprehensive Income			
Total Comprehensive Income/(Loss)		26,756	(57,409)

To be read in conjunction with the attached notes to the Financial Statements

LAKE MACQUARIE YACHT CLUB
(ACN 000 805 265)

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 28 FEBRUARY 2015

	Note	2015 \$	2014 \$
Cash Flows from Operating Activities			
Receipts from Members and Guests		2,260,164	2,182,709
Payments to Suppliers and Employees		(2,002,172)	(2,086,450)
Interest Received		11,668	51,748
Interest Paid		(5,373)	(5,868)
Dividends Received		-	1,484
<i>Net Cash Flows provided by (used in) Operating Activities</i>	19	<u>264,287</u>	<u>143,623</u>
Cash Flows from Investing Activities			
Payments for Plant, Equipment and Development Expenses		(1,887,199)	(1,351,456)
Proceeds from Share Trading		500	213,937
Purchases of Listed Shares		-	-
Proceeds from Sale of Investment Properties		-	1,199,358
<i>Net Cash Flows provided by (used in) Investing Activities</i>		<u>(1,886,699)</u>	<u>61,839</u>
Cash Flows from Financing Activities			
Proceeds from Borrowings		627,751	98,233
Repayments of Borrowings		(92,121)	(99,830)
<i>Net Cash Flows provided by (used in) Financing Activities</i>		<u>535,630</u>	<u>(1,597)</u>
Net Increase/(Decrease) in Cash Held		(1,086,782)	203,865
Cash and Cash Equivalents at the Beginning of the Financial Year		<u>1,358,854</u>	<u>1,154,989</u>
Cash and Cash Equivalents at the End of the Financial Year	19	<u>272,072</u>	<u>1,358,854</u>

To be read in conjunction with the attached notes to the Financial Statements

LAKE MACQUARIE YACHT CLUB
(ACN 000 805 265)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2015

Note	2015 \$	2014 \$
Opening Balance 1 March 2014		
- Accumulated Profits	3,606,622	3,646,099
- Funds Acquired from Club	108,104	108,104
- Asset Revaluation Reserve	-	17,933
	3,714,726	3,772,136
Comprehensive Income/(Loss) for year	26,756	(57,409)
Transfer of Asset Revaluation Reserve to Equity	-	17,933
Closing Balance 28 February 2015		
- Accumulated Profits	3,633,378	3,606,622
- Funds Acquired from Club	108,104	108,104
- Asset Revaluation Reserve	-	-
	3,741,482	3,714,726

To be read in conjunction with the attached notes to the Financial Statements

LAKE MACQUARIE YACHT CLUB
(ACN 000 805 265)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015

1 Statement of Significant Accounting Policies

(a) Basis of Preparation

This financial report is a general purpose financial report that has been prepared in accordance with applicable Australian Accounting Standards and Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. Lake Macquarie Yacht Club is a not for profit entity for the purposes of preparing the financial statements.

The financial report has been prepared on an accruals basis and is based on historical costs. The financial report is presented in Australian Dollars.

The following is a summary of the significant accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(b) Statement of Compliance

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standard ("A-IFRS"). A statement of compliance with IFRS cannot be made due to the application of not for profit sector specific requirements contained in AIFRS.

(c) Income Tax

There is no liability for income tax as the Club has been granted exemption as a Sporting Club under Section 50-45 of the Income Tax Assessment Act (1997).

(d) Inventories

Inventories are measured at the lower of cost and current replacement value.

(e) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less any accumulated depreciation and impairment in value.

The depreciation amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the Club commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the estimated useful lives of the improvements or the remaining term of the lease, including any option period.

The depreciation rates used for each class of depreciable assets are:

Leasehold Improvements	10 to 50 years
Plant and Equipment	3 to 7 years
Motor Vehicles	8 years
Poker Machines	3 to 4 years
Club Boats	6 to 8 years
Marina	25 years

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash in flows, the recoverable amount is determined for the cash generating unit in which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the future economic benefits of an asset are not dependant on the asset's ability to generate net cash inflows and if deprived of the asset the Company would replace its remaining future economic benefit, value in use is determined as the depreciated replacement cost of the asset.

Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income in the administration expense line item.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the asset sold. Gains or losses are included in the Statement of Profit or Loss and Other Comprehensive Income.

LAKE MACQUARIE YACHT CLUB
(ACN 000 805 265)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015

(f) Borrowing Costs

Borrowing Costs are recognised as an expense when incurred.

(g) Leases

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets (finance leases), and operating leases under which the lessor effectively retains all such risks and benefits. Where a non current asset is acquired by means of a finance lease, the minimum lease payments are discounted at the interest rate implicit in the lease. The discounted amount is established as a non current asset at the beginning of the lease term and amortised over its expected economic life. A corresponding liability is also established and each payment is allocated between the principal component and the interest expense. Operating lease payments are representative of the pattern of benefits derived from the leased assets and accordingly are charged to the Statement of Profit or Loss and Other Comprehensive Income in the periods in which they are incurred.

(h) Trade Debtors and Other Receivables

Trade debtors are carried at amounts due. The recoverability of debts are assessed at balance date, where specific provision is made for any doubtful debts. Bad debts are written off when identified.

(i) Cash and Cash Equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the Statement of Cashflows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(j) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sales revenue comprises the revenue earned from the provision of products or services to entities outside the Company.

Revenue from membership subscriptions is recognised upon receipt of money for the period in which the membership relates.

Dividend income is recognised when it is received.

Interest income is recognised as it accrues.

The profit or loss on disposal of assets are brought to account at the date an unconditional contract is signed.

Other revenue is recognised as it accrues.

(k) Employee Benefits

Short Term

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Other Long Term

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage levels and period of service. A discount rate of the cash rate as at year end has been selected used.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

LAKE MACQUARIE YACHT CLUB
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015

(l) Accounts Payable

Liabilities are recognised for amounts to be paid for goods and services received, whether or not billed to the Company. Trade accounts payable are normally settled within 30 days.

(m) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(n) Goods and Services Tax

Revenues, 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 Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of an asset or as part of an item of expense. Receivables and payables are stated with the amount of GST included. The amount of GST recoverable or payable to the ATO is included as a current asset or current liability in the Statement of Financial Position. Cash flows are included in the statement of cashflows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from or payable to the ATO are classified as operating cash flows.

(o) Deficiency in Working Capital

As at balance date, current assets totalled \$478,813 compared to current liabilities of \$940,229 with the entire balance of the ANZ Loan being stated as a current liability due to the agreement with the Bank containing a review clause which limits the club from having an unconditional right to defer settlement of the loan, despite the Club having fulfilled all its obligations to the Bank to date. The Club has generated a net profit of \$26,756 and a positive operating cashflow of \$264,287 for the year end 28 February 2015. Cashflows going forward are expected to be more than sufficient to cover the debt obligations and the Directors do not foresee any issues in continuing to meet the loan terms and conditions. It is on this basis that the Directors have determined that the going concern basis is appropriate.

2 Limited by Guarantee

The Club is an incorporated body having no share capital and the liability of Members is limited by guarantee. The registered address of the Club is Ada Street Belmont NSW 2280.

3 Operating Revenue

	2015	2014
	\$	\$
Bar Sales	946,074	1,031,448
Poker Machine Net Revenue	102,213	120,843
Keno Commission	4,160	4,098
Interest Received/Receivable	11,668	51,748
Rent Received	92,121	101,458
Marina Fees	415,469	390,538
Sailing Operations Income	66,626	54,815
Slipway Operations Income	74,125	67,983
Functions Operations Income	121,773	24,065
Membership Subscriptions	119,498	107,706
Profit on sale of Property, Plant and Equipment	153	3,027
Dividends Received	-	1,484
Other	84,346	97,159
Share Revaluation	-	1,200
Profit on Sale on Listed Shares	-	14,160
Total	2,038,226	2,071,732

LAKE MACQUARIE YACHT CLUB
(ACN 000 805 265)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015

	2015	2014
	\$	\$
4 Operating Profit		
Operating profit/(loss) before income tax is arrived at after crediting and charging the following specific items:-		
Credits		
Interest Received/Receivable	11,668	51,748
Dividends Received/Receivable	-	1,484
Profit/(Loss) on Sale of Investments	-	14,160
Charges		
Depreciation		
- Marina	52,091	39,180
- Buildings and Improvements	22,719	23,118
- Plant & Equipment	92,962	101,441
Interest Paid	5,373	5,727
Loss on Sale of Assets	-	862
Employee Benefits		
- Wages	575,362	603,922
- Superannuation	52,691	53,867
- Leave Provisions	16,950	(9,757)
Loss on the Sale of Investment Properties	-	80,642
5 Cash and Cash Equivalents		
Cash on Hand and at Call	272,072	1,358,854
	272,072	1,358,854
6 Trade & Other Receivables		
Current		
Debtors Trade	45,676	53,036
Debtors Other	2,871	8,829
GST Receivable	-	1,784
	48,547	63,649
7 Inventories		
Stock on Hand - at Cost	42,323	45,278
	42,323	45,278
8 Other Assets		
Current		
Prepayments	115,871	118,848
	115,871	118,848

LAKE MACQUARIE YACHT CLUB
(ACN 000 805 265)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015

9 Property, Plant and Equipment

	Work In Progress	Marina	Building and Improvements	Plant & Equipment	Total
Year ended 28 February 2015					
At 1 March 2014					
Net of Accumulated Depreciation/Amortisation	1,419,329	236,010	323,900	505,742	2,484,981
Additions	1,831,199	-	28,526	27,474	1,887,199
Transfers	(2,832,875)	2,832,875	-	-	-
Disposals	-	-	-	(347)	(347)
Depreciation/Amortisation	-	(52,091)	(22,719)	(92,962)	(167,772)
At 28 February 2015					
Net of Accumulated Depreciation/Amortisation	417,653	3,016,794	329,707	439,907	4,204,061
At 1 March 2014					
Cost or Fair Value	1,419,329	619,111	773,797	1,712,457	4,524,694
Accumulated Depreciation/Amortisation	-	(383,101)	(449,897)	(1,206,715)	(2,039,713)
Net Carrying Amount	1,419,329	236,010	323,900	505,742	2,484,981
At 28 February 2015					
Cost or Fair Value	417,653	3,451,987	802,350	1,741,089	6,413,079
Accumulated Depreciation/Amortisation	-	(435,193)	(472,643)	(1,301,182)	(2,209,018)
Net Carrying Amount	417,653	3,016,794	329,707	439,907	4,204,061
Year ended 28 February 2014					
At 1 March 2013					
Net of Accumulated Depreciation/Amortisation	409,357	275,190	347,715	267,313	1,299,575
Additions	1,009,972	-	-	341,686	1,351,658
Disposals	-	-	(697)	(1,816)	(2,513)
Depreciation/Amortisation	-	(39,180)	(23,118)	(101,441)	(163,739)
At 28 February 2014					
Net of Accumulated Depreciation/Amortisation	1,419,329	236,010	323,900	505,742	2,484,981
At 1 March 2013					
Cost or Fair Value	409,357	621,839	775,019	1,404,125	3,210,340
Accumulated Depreciation/Amortisation	-	(346,649)	(427,304)	(1,136,812)	(1,910,765)
Net Carrying Amount	409,357	275,190	347,715	267,313	1,299,575
At 28 February 2014					
Cost or Fair Value	1,419,329	619,111	773,797	1,712,457	4,524,694
Accumulated Depreciation/Amortisation	-	(383,101)	(449,897)	(1,206,715)	(2,039,713)
Net Carrying Amount	1,419,329	236,010	323,900	505,742	2,484,981

LAKE MACQUARIE YACHT CLUB
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015

	2015	2014
	\$	\$
10 Trade and Other Payables		
Current		
Creditors - Trade	89,447	76,754
GST Payable	2,423	-
Marina Deposits	10,980	-
Security Deposits - Marina Fees - Related Parties	10,000	10,000
	112,850	86,754
	112,850	86,754
11 Borrowings		
Current		
Loan - ANZ (Secured)	530,000	-
Loan - Insurance	57,021	51,391
	587,021	51,391
	587,021	51,391
<p>The Club has a 5 year loan facility of \$700,000 with ANZ Bank Limited of which \$530,000 was utilised at 28 February 2015. The loan has been disclosed as a current liability as the ANZ Bank has a facility review clause that allows the loan to be reviewed and then amended or terminated. There have been no breaches of the loan agreement to date and the Directors believe that the loan will be repaid in accordance with the Bank loan agreement. Once the final drawdown of the loan has occurred, which is expected in May 2015, it is expected the annual loan repayments including principle and interest will be \$147,508.</p> <p>The loan is secured by a Registered Mortgage over the lease given by Lake Macquarie Yacht Club over the property situated at 9 Ada Street Belmont and a general security agreement given by Lake Macquarie Yacht Club over all present and after-acquired property.</p>		
12 Provisions		
Current		
Provision for Annual Leave - Short term	37,657	20,652
Provision for Annual Leave - Long term	44,373	44,898
Provision for Long Service Leave	24,146	20,285
Provision for Annual Trophies (Refer Note 20)	14,000	17,000
	120,176	102,835
	120,176	102,835
Non Current		
Provision for Long Service Leave	1,163	4,554
	1,163	4,554
	1,163	4,554

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015

	2015	2014
	\$	\$
13 Other Liabilities		
Current		
Subscriptions in Advance	54,879	44,524
Marina Fees in Advance	40,047	28,058
Sponsorship in Advance	3,100	4,113
Race Fees in Advance	-	5,200
Advertising Income in Advance	3,100	1,519
Income in Advance	4,898	23,060
Rent in Advance	14,158	4,876
	<u>120,182</u>	<u>111,350</u>

14 Auditor's Remuneration

Amounts received, or due to be receivable by the Auditor of the Company for:-

Audit Services	14,500	13,500
Accounting and Other Services	20,547	14,293
	<u>35,047</u>	<u>27,793</u>

15 Commitments for Expenditure

a) Rental Agreements

Total commitments in respect of rental agreements are as follows:-

Not later than one year	4,176	3,996
Later than one year and not later than five	14,964	6,113
Later than five years	-	-
	<u>19,140</u>	<u>10,109</u>

b) Capital Expenditure

To be expended within one year:

Extension of Marina	40,470	1,709,646
Repairs to Western Arm of Marina	-	307,515
	<u>40,470</u>	<u>2,017,161</u>

In relation to the extensions to the marina the Club has accepted an offer from ANZ Bank for a loan of \$700,000 repayable over 5 years principal and interest. The loan was drawn down \$530,000 at 28 February 2015.

c) Lease and Licence Commitments

(i) The Club's premises are situated on land leased and licensed from the Department of Lands. These agreements are in force until 30 September 2038. The annual rent payable on these agreements are currently \$51,395 and \$13,157 (inclusive of GST) for the lease and licence respectively. The rent is adjusted by C.P.I. each year on the anniversary of the agreements and are subject to 5 yearly market rent reviews. A market review was due in April 2013, however, this has not been performed and as at the date of this report the rental payable going forward has not been determined nor has any back rent to the review date that may be payable.

(ii) The Club leases the slipway and boat maintenance area from Lake Macquarie City Council. This lease is in force until 2 October 2017. The annual rent payable is currently \$33,000 (inclusive of GST). This rent is subject to a 3 yearly market rent review. The next market rent review is 3 October 2015.

(ii) The Club leases car parking space from the TAFE at a cost of \$8,090 plus GST per annum. This lease period is 1 September 2014 to 31 August 2017 and the fee increases by 4% each year. Subsequent to year end the lease has been cancelled by the Club and will expire in June 2015.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015

16 Contingent Liabilities

The Club has given certain indemnities to relevant public authorities as required under the lease and other agreements made with them. The Directors' are not aware of any past event that is likely to give rise to a claim against the Club under these indemnities given.

17 Related Parties

The names of persons who were Directors of the Company at any time during the year are as they appear in the attached Director's Report.

Mr Russell Cummings, a former Director of the Club is a Director of Russell Cummings Marine Services Pty Ltd who provided sailing services to Lake Macquarie Yacht Club on normal commercial terms and conditions. Payments totalling \$13,483 were made to Russell Cummings Marine Services Pty Ltd during the year. An immediate family member of Mr Russell Cummings was employed by the Club to provide sailing services, payments to this related person totalled \$3,820.

Certain Directors and Director related persons participate in the Club Sailing activities and receive prizes under the same terms and conditions attached to sailing events as other sailing members.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015

18 Additional Financial Instrument Disclosure

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and listed company shares.

a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The financial assets and liabilities subject to interest rate risk are:

Bank Accounts

As at balance date the Club's main cheque accounts totalled \$165,521 and the balance of the Keno accounts was \$12,981. Interest is paid for the main accounts when the accounts are in credit and charged when the accounts are in debit at the market variable rate.

Loans

The Club has a 5 year loan facility of \$700,000 for ANZ Bank Limited which was used to partly fund the Marina extension in the current year. The facility was drawn down to \$530,000 at yearend and is subject to a variable interest rate, currently 6.82% per annum.

The Club has a loan used to finance insurance. The interest rate is 4.63% fixed to the term of the loan. This loan will be repaid within one year.

All other financial assets of the Club which have been recognised on the Statement of Financial Position are not subject to interest rate risk as they are non-interest bearing.

b) Credit Risk

The credit risk in financial assets of the Club which have been recognised on the Statement of Financial Position, is the carrying amount net impairment losses.

The Club has reviewed the credit quality of its financial assets and expects all receivables to be recovered within due collection periods. No collateral or security is held in respect of any receivables.

c) Liquidity Risk

The risk that the Club will encounter difficulties in meeting its obligations associated with its financial liabilities is managed by ensuring sufficient funds are available at all times to cover its financial liabilities. All such financial liabilities are due within 12 months.

d) Net Fair Value of Financial Assets and Liabilities

The Club's financial assets and liabilities included in the Statement of Financial Position are carried at amounts that approximate net fair value.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015

19 Notes to Statement of Cashflows

1. Reconciliation of Cash

For the purpose of the statement of cashflows, cash includes cash on hand and at call deposits with a bank or financial institution, net of bank overdrafts if any, and excludes investments with a maturity of greater than three months

	2015	2014
	\$	\$
Cash on Hand and at call	272,072	1,358,854

2. Reconciliation from the net profit after tax to the net cashflows from operations.

Operating Profit/(loss) After Tax	26,756	(57,409)
<u>Non-Cashflow in Operating Profit/(Loss)</u>		
Depreciation and Amortisation	167,772	163,739
Profit on Sale of Assets	(153)	(14,160)
Loss on Sale of Assets	-	862
Net Change in Leave Provisions	16,950	(9,757)
Net Change in Provision for Annual Trophies	(3,000)	5,000
Movement in Fair Value of Rental Properties	-	80,642
Movement in Share Value	-	(1,200)
	208,325	167,717
<u>Changes in Assets and Liabilities</u>		
(Increase)/Decrease in Trade and Other Debtors	15,102	2,554
(Increase)/Decrease in Inventories	2,955	8,275
(Increase)/Decrease in Prepayments	2,977	8,005
Increase/(Decrease) in Trade Creditors and Accruals	26,096	(26,240)
Increase/(Decrease) in Income in Advance	8,832	(16,688)
Net Cash From Operating Activities	264,287	143,623

As at 28 February 2015 the Club had a credit card facility with a total limit of \$5,000.

20 Provision for Annual Trophies

A provision of \$14,000 has been recognised for the expected prize money accrued as at 28 February 2015 for the 2014/2015 sailing season. It is expected that this expenditure will be incurred in the next annual reporting period.

Carrying value 1/03/2014	17,000
Expended 1/03/14-28/02/15	(11,001)
Unused 2015 provision reversed	(5,999)
2014/2015 provision recognised	14,000
Balance 28/02/2015	14,000

21 New Accounting Standards and Interpretation

Title of Standard	Issue Date	Application Date**
AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (Dec 2010) and AASB 2012-6 Amendments to Australian Accounting Standards	Dec-10	Jan-15
2014-1 Amendments to Australian Accounting Standards (Part A – Annual Improvements 2010-2012 and 2011-2013 Cycles)	Jun-14	Jul-14
2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation	Aug-14	Jan-16
** Applicable to reporting periods commencing on or after the given dates.		
Application of the above standard is not expected to affect any of the amounts recognised in the financial statements, but will result in changes to the additional information disclosed in the financial statements. No standards have been early adopted.		