

NEWCASTLE CRUISING YACHT CLUB LIMITED
ACN 064 201 029



NEWCASTLE CRUISING
YACHT CLUB

FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2015

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DIRECTORS' REPORT

Your Directors present their report for the financial year ended 31 March 2015.

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

Name	Details	Position	No. of years service as a Director	Appointed / Resigned
Jim Holley	Jim is a retired general surgeon. Amongst Jim's many sailing achievements he has competed in 25 Rolex Sydney Hobart Yacht Races most of them on his Farr 40 designed yacht <i>Aurora</i> . Jim regularly club races at NCYC.	Commodore	5.5	
Tony Lobb	Tony is a General Manager of two Mining Services / Manufacturing Companies and has previously owned other companies in the mining industry. Tony enjoys racing his Farr 40 One Design racing yacht, <i>PT7</i> , as well as his Laser dinghy <i>PT 7.3</i> in Club races and the odd regatta.	Vice Commodore	5.5	
Kym Butler	Kym is a Solicitor and Chartered accountant with post graduate qualifications in both commerce and law. He has been advising and acting for clients ranging from public companies to high net worth individuals for over 35 years. He regularly competes in major offshore yacht races along the East coast of Australia and has competed in 5 Sydney to Hobarts.	Rear Commodore	4.8	
Ernst Thirkell	Following a career in the Australian Navy Ernie turned his skills to farming and fine fibre production. Ernie also taught wool classing at TAFE later in his career. Ernie has sailed his entire life on the Hunter River and Lake Macquarie.	Club Captain	8.8	
Steve Rae	Steve is a regular participant in NCYC yacht races skippering his J122 class yacht <i>Marta Jean</i> . Prior to retirement and permanent abode in Newcastle Steve worked for a number of multinational manufacturing companies in Eastern Europe and Asia in mechanical engineering and management roles. Steve's children are regular Laser sailors in NCYC's fleet.	Treasurer	2	
Barry Kelly	Barry is a qualified pilot having commenced his career with the RAAF flying Mirage and F18 Hornet aircraft carrier prior to moving into commercial aviation with Cathay Pacific. Barry currently works for Boeing as a flight simulation instructor providing services to the RAAF's E7A Wedgetail program. Barry owns and regularly races Archambault M34, <i>Concealed Weapon</i> , in NCYC club races and combined series.	Director	Nil	Appointed 1/04/2015
Phil Ashley-Brown	Phil is a Walkley Award winning journalist and Station Manager of ABC 1233 Newcastle. Phil holds a Bachelor of Communications (Hons) from University of Newcastle and a Diploma of Management from Southern Cross University. Phil regularly races his Laser <i>Flip</i> on Friday evenings at NCYC and crews on Beneteau 34.7, <i>Summersalt</i> .	Director	Nil	Appointed 1/04/2015
Phil Arnall	Phil is a director of a number of public companies and has previous senior management experience in the manufacturing industry. Phil owns Corby 43, <i>Anger Management</i> , and is regular participant in the Club's racing calendar as well as East coast blue water races and regattas such as Sail Port Stephens, the Sydney Goldcoast and more recently the Sydney Hobart yacht races.			Retired 1/04/2015
Larry Curtis	Following an overseas career in petrochemical engineering Larry returned to Newcastle and has run businesses in the furniture and hotels industries. Larry is an keen game fisherman and regularly competes in local and further afield game fishing events representing Newcastle Game Fishing Club. Larry can often be seen tinkering on his much loved power boat <i>Nigaloo</i> .			Retired 31/03/2015

Directors have been in office since the start of the financial year unless otherwise stated.

2. Principal Activities

The principal activities of Newcastle Cruising Yacht Club Limited during the financial year were:

- The conduct of organised and recreational sailing activities for members
- The promotion and operation of the Cruising Yacht Club
- The operation of a licensed club

No significant change in the nature of these activities occurred during the year.

3. Operating Results

The net result of operations, after applicable income tax, was a profit of \$140,205 (2014 profit \$576).

DIRECTORS' REPORT (Cont.)

4. Review of Operations

2014-15 is best described as a year of financial consolidation and broadening of sailing offerings at NCYC in line with its five year rolling strategic plan.

The Club successfully conducted the 2014 Audi IRC Australian Championships at the start of the financial year, achieved strong representation at the 2014 Rolex Sydney Hobart Yacht Race and other Blue Water events, continued to grow its Laser dinghy division and forged ahead with the procurement of its fleet of Force 24s and establishment of the Club's Sailing Academy.

Strong revenues across most operations of the Club and a focus on cost control has underpinned a solid financial result for the year allowing the Club to fund significant capital expenditure, such as the Force 24 fleet and Laser Hardstand development, through operating cash flows while also paying down \$320,000 in debt during the year.

The tougher trading conditions of the previous twelve months continued in respect to NCYC's commercial leasing business with full occupancy only achieved mid-way through the 2014-15 financial year. Marina revenues remained on a slow but consistent growth trajectory while Club food and beverage operations achieved above expectation revenue growth. Cumulatively the Club achieved a net profit of \$140,205 which the Board believes to be very acceptable.

The Board and management remain positive about the year ahead for NCYC, however are mindful that a weaker broader economy and impacts that the mining slowdown is having at a micro level will continue to adversely impact the Club's revenue over the next 12 months. Accordingly the Board or directors and management are of the view that complacency is not an option.

5. Meeting Attendances

During the financial year ended 31 March 2015, 11 meetings of Directors were held and 1 Strategy meeting were also conducted. The details of each Directors' attendances at those meetings is given below:

<u>Director</u>	<u>Number of Board Meetings Attended</u>	<u>Eligible Number of Board Meetings to Attend</u>
Phil Arnall	11	11
Jim Holley	9	11
Steve Rae	10	11
Ernst Thirkell	8	11
Tony Lobb	8	11
Kym Butler	8	11
Larry Curtis	9	11

6. Short and Long Term Objectives

The Club's short and long term objectives are to encourage and promote sports of amateur yachting and boating and cruising for pleasure. These are in accordance with the principal objectives in the Club's constitution.

To achieve these objectives the Club will continue to operate profitably, providing the best possible facilities for members.

The strategies are measured through both financial and non financial key performance indicators that have been developed relevant to the Club industry and operational areas in which the Club delivers services to its members.

DIRECTORS' REPORT (Cont.)

7. Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31 March 2015 has been received and is set out on page 5 of the financial report. DFK Crosbie continues to hold office in accordance with s307C of the Corporations Act 2001.

The Company may decide to engage the auditor in addition to their statutory audit where the auditor's expertise and experience with the Company is important. Details of the amounts paid or payable to the auditor (DFK Crosbie) for audit and non-audit services are provided in Note 14.

8. Limited by Guarantee

The Club is incorporated under the Corporations Act 2001 and is a company limited by guarantee and has the following classes of membership: full, crew, junior, life & social. If the Club is wound up, the constitution states that each member in all membership classes are required to contribute a maximum of \$2 each towards meeting any obligations of the Club. At 31 March 2015 the collective liability of members was \$1,834.

9. Financial Report

The financial report was authorised for issue on 26 May 2015. The Company has the power to amend and re-issue the financial report.

10. Property Report

The Directors have determined that all property of the Club shall be classified as follows in accordance with section 41J of the Registered Clubs Acts 1976 :-

Core Property: - The Clubhouse, Marina and Commercial Centre situated at 95 Hannell Street, Wickham NSW 2293
Non-Core Property: - Nil

This report is made out in accordance with a resolution of the Board of Directors and is signed for on behalf of the Board by:-



Jim Holley - Commodore



Steve Rae - Treasurer

Dated: 26 May 2015



LEADING ACCOUNTANTS AND BUSINESS ADVISERS

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
NEWCASTLE CRUISING YACHT CLUB LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 31 March 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.

Kirsty Porteous - Partner

DFK Crosbie Partners
Chartered Accountants

Dated: 26 May 2015
Warabrook, NSW

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Newcastle

Cnr Pacific Hwy and Warabrook Blvd,
 Warabrook, NSW 2304
 Box 29 Hunter region MC NSW 2310
 Ph: 02 4923 4000 | F: 02 4923 4040
www.dfkcrosbie.com.au

Gold Coast

Level 2, 7 Short Street Southport QLD 4215
 PO Box 2147 Southport QLD 4215
 Ph: 07 5591 4444 | F: 07 5531 1000
www.dfkcrosbie.com.au

Sydney

Level 1, Suite 107 Edgecliff Centre
 203 New South Head Rd Edgecliff NSW 2027
 Ph: 02 9301 5200 | F: 02 9363 0335
www.dfkcrosbie.com.au

NEWCASTLE CRUISING YACHT CLUB LIMITED

ACN 064 201 029

INDEPENDENT AUDIT REPORT TO MEMBERS

To the Members of Newcastle Cruising Yacht Club

Report on the Financial Report

We have audited the accompanying financial report of Newcastle Cruising Yacht Club, which comprises the Statement of Financial Position as at 31 March 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) 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. The independence declaration required by the Corporations Act 2001, provided to the directors of Newcastle Cruising Yacht Club, has the same date as 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 Newcastle Cruising Yacht Club (the Company) for the year ended 31 March 2015 included on Newcastle Cruising 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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Newcastle

Cnr Pacific Hwy and Warabrook Blvd,
Warabrook, NSW 2304
Box 29 Hunter region MC NSW 2310
Ph: 02 4923 4000 | F: 02 4923 4040
www.dfkcrosbie.com.au

Gold Coast

Level 2, 7 Short Street Southport QLD 4215
PO Box 2147 Southport QLD 4215
Ph: 07 5591 4444 | F: 07 5531 1000
www.dfkcrosbie.com.au

Sydney

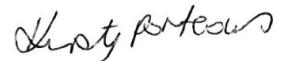
Level 1, Suite 107 Edgecliff Centre
203 New South Head Rd Edgecliff NSW 2027
Ph: 02 9301 5200 | F: 02 9363 0335
www.dfkcrosbie.com.au

INDEPENDENT AUDIT REPORT TO MEMBERS

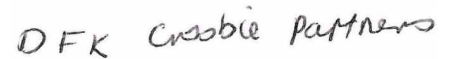
Audit Opinion

In our opinion,

- (a) The financial report of Newcastle Cruising Yacht Club is in accordance with the Corporations Act 2001, including:
- (i) giving a true and fair view of the Newcastle Cruising Yacht Club's financial position as at 31 March 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;



Kirsty Porteous - Partner



DFK Crosbie Partners
Chartered Accountants

Dated: 26 May 2015
Warabrook, NSW

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DIRECTORS' DECLARATION

The Directors of the Company declare that:

- 1 The financial statements and notes, as set out on pages 9 to 19 are in accordance with the Corporation Act 2001 including:
 - (a) complying with Accounting Standards in Australia, the Corporations Regulations 2001 and other mandatory professional reporting obligations;
 - (b) giving a true and fair view of the Company's financial position as at 31 March 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:



Jim Holley - Commodore



Steve Rae - Treasurer

Dated: 26 May 2015

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2015

	Note	2015 \$	2014 \$
CURRENT ASSETS			
Cash and Cash Equivalents	5	49,667	40,692
Trade & Other Receivables	6	156,021	146,591
Inventories	7	57,701	67,716
Other Assets	8	69,874	51,375
TOTAL CURRENT ASSETS		333,263	306,374
NON-CURRENT ASSETS			
Property, Plant and Equipment	9	7,318,149	7,727,894
TOTAL NON-CURRENT ASSETS		7,318,149	7,727,894
TOTAL ASSETS		7,651,412	8,034,268
CURRENT LIABILITIES			
Trade and Other Payables	10	305,289	255,668
Provisions	12	45,542	62,711
Other Liabilities	13	472,361	472,110
TOTAL CURRENT LIABILITIES		823,192	790,489
NON-CURRENT LIABILITIES			
Borrowings	11	1,420,000	1,740,000
Provisions	12	23,976	20,085
Other Liabilities	13	703,868	943,523
TOTAL NON-CURRENT LIABILITIES		2,147,844	2,703,608
TOTAL LIABILITIES		2,971,036	3,494,097
NET ASSETS		4,680,376	4,540,171
MEMBERS' FUNDS			
Accumulated Profits		4,680,376	4,540,171
TOTAL MEMBERS' FUNDS		4,680,376	4,540,171

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 \$	2014 \$
Bar Sales		1,018,492	941,230
Less: Bar Cost of Goods Sold		(343,582)	(309,418)
		<u>674,910</u>	<u>631,812</u>
Catering Sales		1,206,614	1,147,651
Less: Catering Cost of Goods Sold		(464,906)	(457,882)
		<u>741,708</u>	<u>689,769</u>
Fuel Sales		259,091	253,624
Less: Fuel Cost of Goods Sold		(228,701)	(221,399)
		<u>30,390</u>	<u>32,225</u>
Gross Profit / (Loss)		<u>1,447,008</u>	<u>1,353,806</u>
Tenant Rental		667,621	626,808
Marina Leases		239,655	239,655
Marina Rental		627,728	610,747
Club Sailing Income		106,939	73,812
Sailing Academy Income		25,270	-
Interest Received		24	81
Other Revenue from Ordinary Activities		252,986	208,194
		<u>1,920,223</u>	<u>1,759,297</u>
Total Trading and Other Income		<u>3,367,231</u>	<u>3,113,103</u>
Expenses			
Bar Trading Expenses		(359,620)	(328,516)
Catering Trading Expenses		(471,194)	(423,979)
Clubhouse Expenses		(591,246)	(604,985)
Marina Expenses		(676,214)	(696,939)
Commercial Rental Expenses		(250,740)	(218,396)
Club Sailing Expenses		(187,250)	(126,277)
Sailing Academy Expenses		(53,622)	(4,716)
Borrowing Cost Expense	4	(97,063)	(123,794)
Administrative Expenses		(540,077)	(584,925)
Total Expenses		<u>(3,227,026)</u>	<u>(3,112,527)</u>
Net Operating Profit/(Loss) Before Income Tax		140,205	576
Income Tax Expense	1(b)	-	-
Net Operating Profit/(Loss) For The Year		<u>140,205</u>	<u>576</u>
Other Comprehensive Income		-	-
Total Comprehensive Income/(Loss)		<u>140,205</u>	<u>576</u>

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015	2014
		\$	\$
Cash Flows from Operating Activities			
Receipts from Members and Guests		4,564,589	3,937,525
Payments to Suppliers and Employees		(3,835,797)	(3,306,389)
Interest Received		24	81
Interest Paid		(97,062)	(123,794)
<i>Net Cash Flows provided by (used in) Operating Activities</i>	20	631,754	507,423
Cash Flows from Investing Activities			
Payments for Property, Plant and Equipment		(311,506)	(421,481)
Proceeds on the Disposal of Property, Plant & Equipment		8,727	15,852
<i>Net Cash Flows provided by (used in) Investing Activities</i>		(302,779)	(405,629)
Cash Flows from Financing Activities			
Repayments of Borrowings		(320,000)	(150,000)
<i>Net Cash Flows provided by (used in) Financing Activities</i>		(320,000)	(150,000)
Net Increase/(Decrease) in Cash Held		8,975	(48,206)
Cash and Cash Equivalents at the Beginning of the Financial Year		40,692	88,898
Cash and Cash Equivalents at the End of the Financial Year	20	49,667	40,692

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 \$	2014 \$
Opening Balance 1 April			
- Accumulated Profits		4,540,171	4,539,595
Comprehensive Income/(Loss) for year		140,205	576
Closing Balance 31 March			
- Accumulated Profits		4,680,376	4,540,171
		<u>4,680,376</u>	<u>4,540,171</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 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, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. Newcastle Cruising Yacht Club is a not for profit entity for the purposes of preparing the financial statements.

The financial report has been prepared on an accrual 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 Club in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(b) Income Tax

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

(c) Inventories

Inventories are measured at the lower of cost or net realisable value.

(d) 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 unexpired period of the lease or the estimated useful lives of the improvements and the remaining term of the lease, including any option period.

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

Marina	5 - 11%
Buildings at cost	5%
Plant and Equipment	15 - 33%
Leasehold Improvements	2.5 - 5%
Club Boats	6 - 17%

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.

(e) Borrowing Costs

Borrowing Costs are recognised as an expense when incurred.

(f) 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.

(h) Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position. 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.

(i) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

(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.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from membership fees is recognised upon receipt of monies for the period to which the payment relates.

The entity contracts under sub-lease agreements to grant leases of marina sites for a term of 15 years. Monies paid in accordance with these sub-leases will be accounted for by bringing them to account as income by way of one-fifteenth of the contract sum each year over the fifteen-year period, commencing from the date of completion of the commencement of the lease. One-fifteenth of all monies received to secure sub-leases have been included as income for the year ended 31 March 2015. The remainder of monies have been included as Other Liabilities within Current and Non-Current Liabilities.

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Revenue from tenant rental is recognised upon receipt of monies for the period to which the payment relates.

(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 used.

The obligations are presented as current liabilities in the balance sheet 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.

(l) Comparative Figures

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

(m) 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.

2 Limited by Guarantee

The Club is an incorporated body having no share capital and the liability of Members is limited by guarantee.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

		2015	2014
		\$	\$
3	Operating Revenue		
	Operating Activities:		
	Trading Revenue	4,151,410	3,894,818
	Other Revenue from Ordinary Activities:		
	Membership Subscriptions	120,950	93,923
	Marina Outgoings Re-imbusement	67,410	60,666
	Merchandise Sales	4,490	6,530
	ATM Commission	11,037	11,115
	Interest Received	24	81
	Sundry Income	49,099	44,664
	Total Revenue	4,404,420	4,111,797
4	Operating Profit		
	Operating profit/(loss) before income tax is arrived at after crediting and charging the following specific items:-		
	Charges		
	Borrowing Cost Expense	97,063	123,794
	Loss on disposal of assets	1,263	81,169
	Depreciation		
	- Marina	384,846	363,964
	- Leasehold Improvements	242,257	218,665
	- Plant & Equipment	43,235	68,399
	- Club Boats	40,922	8,831
	Total Depreciation	711,260	659,859
	Operating Lease Rental Expense/(Benefit)		
	Rent - wet	36,209	29,149
	Rent - land	90,697	56,218
		126,906	85,367
	Employee Benefits		
	- Wages	1,167,244	1,084,532
	- Payroll Tax	30,887	24,961
	- Superannuation	110,563	97,507
	- Leave Provisions	(13,278)	17,575
5	Cash and Cash Equivalents		
	Cash on Hand & at Bank	49,667	40,692
		49,667	40,692
6	Trade & Other Receivables		
	Current		
	Debtors Trade	156,021	146,591
		156,021	146,591
7	Inventories		
	Stock on Hand - at Cost	57,701	67,716
		57,701	67,716
8	Other Assets		
	Prepayments	69,874	51,375
		69,874	51,375

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

		2015	2014
		\$	\$
11	Borrowings		
	Non-Current		
	Secured liabilities		
	Loan Facility - NAB	1,420,000	1,740,000
		1,420,000	1,740,000
	The carrying amounts of non-current assets pledged as security are:		
	Floating charge over fixed assets	7,318,149	7,727,894
		7,318,149	7,727,894
	The Market Facility is secured by mortgages held by National Australia Bank over the sub-leased properties with the NSW Roads and Maritime Service.		
12	Provisions		
	Current		
	Provision for Annual Leave	45,542	62,711
		45,542	62,711
	Non Current		
	Provision for Long Service Leave	23,976	20,085
		23,976	20,085
13	Other Liabilities		
	Current		
	Member Subscription Income	121,308	122,812
	Marina Fees Received in Advance	61,077	54,685
	Deferred Income (Marina)	239,053	239,053
	Rent Received in Advance	41,362	27,360
	Other Income Received in Advance	9,561	28,200
		472,361	472,110
	Non-Current		
	Deferred Income (Marina)	703,868	943,523
		703,868	943,523
14	Auditor's Remuneration		
	Amounts received, or due to be receivable by the Auditor of the Company for:-		
	Audit Services	16,275	15,650
	Accounting and Other Services	9,870	9,600
		26,145	25,250
15	Commitments for Expenditure		
	<i>Operating Lease Commitments</i>		
	The Club has leases with NSW Maritime for the land on which the Club property is situated (dry lease), as well as wet lease in respect of the Marina.		
	The dry lease has an expiry date of 21 May 2041. The current annual rental is \$81,560 per annum (including GST). Rent increases by CPI annually, with the exception of May 2016 at which time the rent will be reassessed via a market review.		
	The wet lease has an expiry date of 21 May 2041. The current annual rental is \$41,668 per annum (including GST). Rent increases by CPI annually, with the exception of May 2016 and the five year intervals thereafter, at which time the rent will be reassessed via a market review.		
	<i>Capital Expenditure Commitments</i>		
	The Club has identified the following capital commitments to be expended within one year:		
	24 hour fuel bowser system	36,295	
	Security locking system	8,189	
		44,484	
	TOTAL	44,484	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

16 Contingent Liabilities

As at 31 March 2015, and to the date of this report, the Directors are not aware of any contingent liabilities.

17 Related Parties

Directors

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.

Ernie Thirkell has a granddaughter who is employed by the Club under normal terms and conditions.

Tony Lobb is a Director of DB Mining Supply Pty Ltd which provided fabrication services to Newcastle Cruising Yacht Club on normal commercial terms and conditions. Payments totalling \$9,435 were made to DB Mining Supply Pty Ltd during the year.

No remuneration has been paid to any Director in respect of their services as a Director during or since the end of the period.

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.

18 Additional Financial Instrument Disclosure

The Company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable.

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 account balance was \$28,202. Interest is paid for the main account when the account is in credit and charged when the accounts are in debit at the market variable rate.

Borrowings

As noted below, the Club has a financing facility which the Bank Bill Facility component has an amount drawn down of \$1,420,000. The current interest rate on this facility is variable at 5.28%

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 of 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 Club has borrowed to partly fund the construction of leasehold improvements. The finance facilities have been renewed with part fixed and part on interest only terms. Any decision by the Club's lenders to provide the Club with financing will depend upon a number of factors, such as the Club's compliance with the terms of its existing credit arrangements, its financing performance, industry or market trends, the general availability of and rates applicable to financing transactions. The current facility will expire 28 February 2028.

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.

Financing Facilities of the Club are as follows:-

	Loan Funding	Asset Finance Facility	Bank Overdraft Facility	Total
Total	3,500,000	250,000	150,000	3,900,000
Balance	(1,420,000)	-	-	(1,420,000)
Balance Available for Drawdown	2,080,000	250,000	150,000	2,480,000

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

19 Going Concern

As at 31 March 2015 current assets of the Club were \$333,263 compared to current liabilities of \$823,192 representing a deficiency in working capital of \$489,929. Current liabilities includes unearned income in respect of marina berth sales which is recognised as income over the period of each marina berth sublease. Excluding the unearned marina berth revenue, the working capital deficit at balance date is \$250,876.

The Club has an overdraft facility of \$150,000 and has a re-draw facility on borrowings to assist short term cashflow needs. Further, the Statement of Cashflows shows net cashflows from operations of \$631,754. This together with the significant investment in property, plant and equipment, and forecasted operating profit results and strong cash flows provides the basis upon which the Directors have formed the opinion that the going concern basis is appropriate.

20 Notes to Statement of Cashflows

(a) 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	49,667	40,692
	49,667	40,692

(b) Reconciliation from the net profit after tax to the net cashflows from operations.

Operating Profit/(loss) After Tax	140,205	576
<u>Non-Cashflow in Operating Profit/(Loss)</u>		
Depreciation and Amortisation	711,261	659,859
(Profit)/Loss on disposal of assets	1,263	81,169
<u>Changes in Assets and Liabilities</u>		
(Increase)/Decrease in Trade and Other Debtors	(9,431)	(28,366)
(Increase)/Decrease in Inventories	10,015	(11,148)
(Increase)/Decrease in Other Assets	(18,499)	(11,673)
Increase/(Decrease) in Trade Creditors and Accruals	45,293	(6,568)
Increase/(Decrease) in Provisions	(13,278)	17,575
Increase/(Decrease) in Other Liabilities	(235,075)	(194,000)
Net Cash From Operating Activities	631,754	507,424

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.

22 Club Details

The registered office and principal place of business of the Club is:

NCYC Commercial Centre
Suite 4
91 Hannell Street
WICKHAM NSW 2293