Coffs Harbour Yacht Club Ltd

ABN: 58 001 471 763

Financial Statements

For the Year Ended 30 June 2014

Coffs Harbour Yacht Club Ltd

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For the Year Ended 30 June 2014

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Directors' Report

30 June 2014

Your directors present their report on the company, for the financial year ended 30 June 2014.

1. General information

Directors

The names of each person who has been a director during the year and to the date of this report are:

Names	Position	Appointed/Resigned
Garry Michael Innes		Resigned 9 October 2013
Colin Samuel Johnson	Director	
Darren John Digney	Company Secretary/Commodore	
Pierre Charles Gal	Rear Commodore – Sailing	
Philip Schoeffel		Resigned 9 October 2013
Craig Chisholm	Vice Commodore	Appointed 9 October 2013
Karen Lynnette Mcauley	Director	Appointed 9 October 2013
Robert Waddell Fox	Rear Commodore – Admin	Appointed 9 October 2013

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activities of Coffs Harbour Yacht Club Ltd during the financial year were the promotion of the sport of yachting, and to provide a recreational facility for members.

No significant changes in the nature of the entity's activity occurred during the financial year.

Short term objectives

The company's short term objectives are to:

- Promote yachting and sailing activities to members and guests.
- Provide recreational facilities to members and guests.

Long term objectives

The company's long term objectives are to:

- Continue to provide modern facilities for members and guests.

Members guarantee

Coffs Harbour Yacht Club Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to $ 2 for members that are corporations and $ 2 for all other members, subject to the provisions of the company's constitution.

At 30 June 2014 the collective liability of members was $ 2,998 (2013: $ 2,262).

2. Operating Results and Review of Operations for the Year

Operating results

The profit of the company amounted to $22,631 after providing for depreciation of $28,686

3. Information on directors

Colin Samuel Johnson	Director
Experience	Sail Maker
Darren John Digney	Company Secretary / Commodore
Experience	Local Businessman
Pierre Charles Gal	Rear Commodore - Sailing
Experience	Offshore Businessman
Craig Chisholm	Vice Commodore
Experience	Experienced Board Member / Local Businessman
Karen Mcauley	Director
Experience	Banking
Robert Fox	Rear Commodore – Admin
Experience	Chartered Accountant

Meetings of directors

During the financial year, 12 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
Garry Michael Innes	5	5
Colin Samuel Johnson	12	10
Darren John Digney	12	10
Pierre Charles Gal	12	9
Philip Schoeffel	5	4
Craig Chisholm	7	4
Karen Mcauley	7	6
Robert Fox	7	7

CHARTERED ACCOUNTANTS

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF COFFS HARBOUR YACHT CLUB LTD

In relation to our audit of the financial report of Coffs Harbour Yacht Club Ltd for the year ended 30 June 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act* 2001 or any applicable code of professional conduct.

HQB Chartered Accountants

Greg Hardy – Partner in HQB Chartered Accountants

13-15 Park Avenue
Coffs Harbour
Dated:

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Statement of Comprehensive Income

For the Year Ended 30 June 2014

	2014	2013
	$	$
Sales	732,740	748,226
Cost of sales	(299,444)	(287,466)
Gross profit	433,296	460,760
Other Income	211,973	203,602
Marketing expense	(60,739)	(59,659)
Occupancy expense	(123,075)	(118,583)
Employee expense	(317,198)	(257,351)
Other expenses	(114,686)	(163,691)
Finance costs	(6,940)	(14,367)
Profit before income tax	22,631	50,711
Income tax expense		
Profit from continuing operations	22,631	50,711
Profit for the year	22,631	50,711
Other comprehensive income:		
	-	-
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	22,631	50,711

The accompanying notes form part of these financial statements.

Coffs Harbour Yacht Club Ltd

ABN: 58 001 471 763

Statement of Financial Position

30 June 2014

	Note	2014 $	2013 $
ASSETS			
CURRENT ASSETS			
Cash on hand	3	33,284	46,948
Accounts receivable and other debtors	4	4,369	9,609
Inventories	5	27,248	22,562
Other assets	7	17,328	16,140
TOTAL CURRENT ASSETS		82,229	95,258
NON-CURRENT ASSETS			
Property, plant and equipment	6	223,495	247,362
TOTAL NON-CURRENT ASSETS		223,495	247,362
TOTAL ASSETS		305,724	342,620
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	8	43,589	67,774
Borrowings	10	28,205	48,509
Short-term provisions	11	18,005	13,929
Other liabilities	9	17,976	27,237
TOTAL CURRENT LIABILITIES		107,775	157,449
NON-CURRENT LIABILITIES			
Borrowings	10	-	13,594
Long-term provisions	11	6,479	2,738
TOTAL NON-CURRENT LIABILITIES		6,479	16,332
TOTAL LIABILITIES		114,254	173,781
NET ASSETS		191,470	168,839
EQUITY			
Reserves		88,082	88,082
Retained Earnings		103,388	80,757
TOTAL EQUITY		191,470	168,839

The accompanying notes form part of these financial statements.

Coffs Harbour Yacht Club Ltd

ABN: 58 001 471 763

Statement of Changes in Equity

For the Year Ended 30 June 2014

2014

	Retained Earnings	Capital Profits Reserve	Asset Revaluation Surplus	Total
	$	$	$	$
Balance at 1 July 2013	80,757	1,415	86,667	168,839
Profit/(Loss) attributable to members of the entity	22,631	-	-	22,631
Prior year adjustment	-	-	-	-
Revaluation increment (decrement)	-	-	-	-
Balance at 30 June 2014	103,388	1,415	86,667	191,470

2013

	Retained Earnings	Capital Profits Reserve	Asset Revaluation Surplus	Total
	$	$	$	$
Balance at 1 July 2012	30,046	1,415	86,667	118,128
Profit/(Loss) attributable to members of the entity	50,711	-	-	50,711
Prior year adjustment	-	-	-	-
Revaluation increment (decrement)	-	-	-	-
Balance at 30 June 2013	80,757	1,415	86,667	168,839

The accompanying notes form part of these financial statements.

Coffs Harbour Yacht Club Ltd

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Statement of Cash Flows

For the Year Ended 30 June 2014

	Note	2014 $	2013 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		949,945	989,860
Payments to suppliers and employees		(917,959)	(940,952)
Interest received		8	6
Interest paid		(6,940)	(14,367)
Net cash provided by (used in) operating activities	16	25,054	34,547
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase property, plant and equipment		(4,819)	(16,471)
Net cash used by investing activities		(4,819)	(16,471)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings		-	32,338
Repayment of borrowings		(33,899)	(62,682)
Net cash used by financing activities		(33,899)	(30,344)
Net increase (decrease) in cash and cash equivalents held		(13,664)	(12,268)
Cash on hand at beginning of year		46,948	59,216
Cash on hand at end of financial year	3	33,284	46,948

The accompanying notes form part of these financial statements.

The financial statements are for Coffs Harbour Yacht Club Ltd as an individual entity, incorporated and domiciled in Australia. Coffs Harbour Yacht Club Ltd is a not-for-profit company limited by guarantee.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001.The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements except for the cash flow information 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Comparative Figures

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(b) Cash on hand

Cash on hand includes cash 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.

(c) Inventories on hand

Inventories are measured at the lower of cost and current replacement cost
Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition.

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, accumulated depreciation and any impairment losses.

Freehold property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

1 Summary of Significant Accounting Policies continued

(d) Property, Plant and Equipment continued

Property continued

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Plant and equipment that have been contributed at no cost, of for nominal cost are valued and recognised at the fair vale of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on either a straight-line basis or over the asset's useful life to the company commencing from the time the asset is available 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.

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

Class of Fixed Asset	
Capital Works in Progress	2.5% PC
Plant and Equipment	6% - 40% DV
Leasehold improvements	2.5%PC – 10% DV

1 Summary of Significant Accounting Policies continued

(d) Property, Plant and Equipment continued

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

(e) **Accounts Receivable and Other Debtors**

Accounts receivables and other debtors include amounts due from members as well as amounts receivable customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(f) **Financial Instruments**

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments; and any reduction for impairment and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method.*

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

1 Summary of Significant Accounting Policies continued

(e) Financial Instruments continued

The company does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(ii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(g) Impairment of Assets

At the end of each reporting period, the company 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 assets fair value less costs to sell and value in use, is compared to the assets carrying amount. Any excess of the assets carrying amount over its recoverable amount is recognised in profit or loss.

1 Summary of Significant Accounting Policies continued

(g) Impairment continued

Where the future economic benefits of the asset are not primarily dependent upon the assets ability to generate net cash inflows and when the company would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined on the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an individual asset's class, the company 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 recognised 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.

(h) Employee Provisions

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee provisions that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year 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 employees may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to employee provisions.

(i) Accounts Payable and Other Payables

Accounts payable and other payables represent the liabilities at the end of the reporting period for goods and services received by the group during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(j) Income Tax

No Provision for income tax has been raised as the company is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*

(k) Revenue

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

1 Summary of Significant Accounting Policies continued

(k) Revenue continued

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included in with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flow from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating flows included in the receipts from customers or payments to suppliers.

(m) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments 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 company.

Key Estimates - Impairment

The group assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(n) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The company has decided not to early adopt any of new and amended pronouncements and have assessed that they would not have any material effect on the company's financial statements.

Coffs Harbour Yacht Club Ltd

ABN: 58 001 471 763

Notes to the Financial Statements

For the Year Ended 30 June 2014

3 Cash on hand

	2014 $	2013 $
Cash at bank and in hand	33,284	46,948
	33,284	46,948

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	2014 $	2013 $
Cash on hand	33,284	46,948
Balance as per statement of cash flows	33,284	46,948

4 Accounts Receivable and Other Debtors

	2014 $	2013 $
CURRENT		
Accounts receivable	4,369	9,609
Total current Accounts receivable and other debtors	4,369	9,609

5 Inventories

	2014 $	2013 $
CURRENT		
At cost:		
Inventories	27,248	22,562
	27,248	22,562

6 Property, Plant and Equipment

	2014 $	2013 $
Plant and equipment		
At cost	467,948	584,256
Accumulated depreciation	(400,150)	(501,219)
Total plant and equipment	67,798	83,037

6 Property, Plant and Equipment continued

Improvements		
At cost	140,580	140,580
Accumulated depreciation	(71,550)	(62,922)
Total improvements	69,030	77,658
Poker machine licences		
At independent valuation	86,667	86,667
Total poker machine licences	86,667	86,667
Total property, plant and equipment	223,495	247,362

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment $	Improvements $	Poker Machine Licences $	Total $
Balance at the beginning of year	83,037	77,658	86,667	247,362
Additions	4,819	-	-	4,819
Depreciation expense	(20,058)	(8,628)	-	(28,686)
Balance at 30 June 2014	67,798	69,030	86,667	223,495
Balance at the beginning of year	96,466	90,206	86,667	273,339
Additions	9,605	6,866	-	16,471
Depreciation expense	(23,034)	(19,414)	-	(42,448)
Balance at 30 June 2013	83,037	77,658	86,667	247,362

7 Other Assets

	2014	2013
	$	$
CURRENT		
Prepayments	17,328	16,140
Borrowing Costs	-	-
	17,328	16,140

8 Accounts Payable and Other Payables

	2014	2013
	$	$
CURRENT		
Unsecured liabilities		
Accounts payables and other payables	43,589	67,774
	43,589	67,774

(a) Financial liabilities at amortised cost classified as trade and other payables

		2014	2013
		$	$
Accounts payable and other payables:			
Accounts payable and other payables		43,589	67,774
Financial liabilities as accounts payable and other payables	18	43,589	67,774

9 Other Liabilities

	2014	2013
	$	$
CURRENT		
Superannuation liability	6,106	1,489
Payable to the ATO	11,870	25,748
	17,976	27,237

10 Borrowings

	2014 $	2013 $
CURRENT		
Unsecured liabilities:		
Other loans	21,153	22,527
	21,153	22,527
Secured liabilities:		
Bank loans	7,052	24,468
Equipment loan	-	1,514
	7,052	25,982
Total current borrowings	28,205	48,509

	2014 $	2013 $
NON-CURRENT		
Secured liabilities:		
Bank loans	-	13,594
Equipment loan	-	-
	-	13,594
Total non-current borrowings	-	13,594

11 Provisions

	Employee entitlements $	Total $
Current		
Opening balance	16,667	16,667
Accrued during the period	7,817	5,237
Balance at 30 June 2014	24,484	21,904

11 Provisions continued

Analysis of Total Provisions

	2014	2013
	$	$
Current – Long Service Leave	15,425	13,929
Current – Annual Leave	2,580	-
Non Current – Long Service Leave	6,479	2,738
	24,484	16,667

12 Capital Management

Management controls the capital of the company in order to ensure adequate cash flows are generated to fund the recreational facilities and activities it offers to members.

The company's debt and capital includes an short term financing and a business loan.

There are no externally imposed capital requirements.

There have been no changes in the strategy adopted by management to control the capital of the company.

The gearing ratio for the year ended 30 June 2014 and 30 June 2013 are as follows:

		2014	2013
	Note	$	$
Total borrowings	10	28,205	62,103
Less Cash on hand	3	(33,284)	(46,948)
Net debt		(5,079)	15,155
Total capital		194,050	168,839
Gearing ratio		(2.62)%	8.97%

13 Revenue and Other Income

Revenue from Continuing Operations

	2014	2013
	$	$
Bar Sales		
- sale of goods	732,740	748,226
	732,740	748,226

13 Revenue and Other Income continued

Revenue from Continuing Operations continued

Other revenue		
- interest received	8	6
- sponsorship	21,404	18,647
- member subscriptions	33,196	27,770
- poker machine income	64,028	48,909
- other revenue	93,337	108,280
	211,973	203,612
Total Revenue	944,713	951,838

14 Profit for the Year

(a) Expenses

	2014 $	2013 $
Depreciation and Amortisation		
Depreciation - property, plant & equipment	20,058	23,034
Depreciation - property improvements	8,628	19,414
Total Depreciation and Amortisation	28,686	42,448
Interest expense on financial liabilities	6,940	14,367
Employee benefits expense	317,198	257,351
Audit Remuneration		
auditing or reviewing the financial report	5,000	5,000
other services	3,850	5,500
Total Audit Remuneration	8,850	10,500

15 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

16 Cash Flow Information

(a) Reconciliation of Cash Flow from Operations with Profit after Income Tax

	2014	2013
	$	$
Profit for the year	22,631	50,711
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
- Depreciation	28,686	42,448
Changes in assets and liabilities		
- (Increase)/decrease in accounts receivable and other debtors	5,240	(3,096)
- (Increase)/decrease in prepayments	(1,188)	855
- (Increase)/decrease in inventories	(4,686)	(2,863)
- Increase/(decrease) in accounts payables and other payables	(33,446)	(58,791)
- Increase/(decrease) in employee provisions	7,817	5,283
	25,054	34,547

(b) Reconciliation of cash

	2014	2013
	$	$
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash on hand	33,284	46,948

17 Events After the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

18 Financial Risk Management

Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The main risks Coffs Harbour Yacht Club Ltd is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and equity price risk.

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

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2014	2013
	$	$
Financial Assets		
Cash on hand	33,284	46,948
Total financial assets	33,284	46,948
Financial Liabilities		
Financial liabilities at amortised cost		
Accounts payable and other payables	43,589	67,774
Total financial liabilities	43,589	67,774

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to Coffs Harbour Yacht Club Ltd and arises principally from Coffs Harbour Yacht Club Ltd's receivables.

It is Coffs Harbour Yacht Club Ltd's policy that all customers who wish to trade on credit terms undergo a credit assessment process which takes into account the customer's financial position, past experience and other factors. Credit limits are then set based on ratings in accordance with the limits set by the Board of Directors, these limits are reviewed on a regular basis.

Goods are sold subject to retention of title clauses, so that in the event of non-payment Coffs Harbour Yacht Club Ltd may have a secured claim.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those

18 Financial Risk Management continued

financial assets (net of any provisions) as presented in the statement of financial position.

Collateral held by the company securing receivables are detailed in Note 4: Trade and Other Receivables.

The company has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables are provided in Note 4.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 4.

The following table provides information regarding credit risk relating to cash and money market securities based on Standard & Poor's counter party credit ratings.

	2014	2013
	$	$
Cash at bank		
A- Rated	14,500	25,490
	14,500	25,490

(b) Liquidity risk

Liquidity risk arises from the possibility that Coffs Harbour Yacht Club Ltd might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The company manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a monthly basis;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The available funds to the company are discussed in note 15.

18 Financial Risk Management continued

The table/s below reflects an undiscounted contractual maturity analysis for financial liabilities.

Financial guarantee liabilities are treated as payable on demand since Coffs Harbour Yacht Club Ltd has no control over the timing of any potential settlement of the liabilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

Financial liability maturity analysis - Non-derivative

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Financial liabilities due for payment								
Bank overdrafts and loans	**28,205**	48,509	-	13,594	-	-	**28,205**	62,103
Trade and other payables (excluding estimated annual leave)	**43,589**	67,774	-	-	-	-	**43,589**	67,774
Total contractual outflows	**71,794**	116,283	-	13,594	-	-	**71,794**	129,877

18 Financial Risk Management continued

The timing of expected outflows is not expected to be materially different from contracted cashflows.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period, whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The company is also exposed to earnings volatility on floating rate instruments.

19 Company Details

The registered office of the company is:
Coffs Harbour Yacht Club
PO Box 919
COFFS HARBOUR NSW 2450

The principal place of business is:
Coffs Harbour Yacht Club
30 Marina Drive
COFFS HARBOUR NSW 2450

Coffs Harbour Yacht Club Ltd

ABN: 58 001 471 763

Directors Declaration

For the Year Ended 30 June 2014

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 5 to 25, are in accordance with the *Corporations Act 2001* and:

   (a) comply with Australian Accounting Standards; and

   (b) give a true and fair view of the financial position as at 30 June 2014 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 .... Director ....

Dated

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COFFS HARBOUR YACHT CLUB LTD

Report on the Financial Report

We have audited the accompanying financial report of Coffs Harbour Yacht Club Ltd ('the company'), which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, 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 and the *Corporations Act 2001*, and for such internal control as management determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 control 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the Company a written auditor's independence declaration, a copy of which is included in the directors' report.

13-15 Park Avenue, Coffs Harbour
Also at Bellingen
Telephone: 6652 2333
1300 132 130
Facsimile: 6651 2958

Opinion

In our opinion the financial report is in accordance with the *Corporations Act* 2001, including:

a) giving a true and fair view of the financial position of Coffs Harbour Yacht Club Ltd as at 30 June 2014, and of its financial performance and its cash flows for the year then ended;

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

HQB Chartered Accountants

Greg Hardy – Partner in HQB Chartered Accountants

13-15 Park Avenue
Coffs Harbour
Dated: 26.09.14