

ROYAL YACHT CLUB OF VICTORIA

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 MAY 2015**

ROYAL YACHT CLUB OF VICTORIA
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 2015

	Note	2015 \$	2014 \$
Revenue from ordinary activities	2	2,933,333	2,964,558
Changes in inventories of goods held for sale		1,565	(2,969)
Bar and catering cost of sales		(386,031)	(361,103)
Employee benefits expense		(1,340,361)	(1,267,647)
Depreciation and amortisation expenses	3	(185,813)	(206,498)
Administration expenses		(407,040)	(390,357)
Clubhouse & function expenses		(129,260)	(135,859)
Sailing expenses		(101,919)	(115,986)
Yard & Marina expenses		(91,897)	(98,004)
Other expenses from ordinary activities		(36,295)	(32,024)
Borrowing costs expense	3	(29,670)	(13,384)
Profit/(loss) from operations before income tax expense		226,612	340,727
Income tax revenue (income tax expense) relating to operating activities		-	-
Profit/(loss) from operations		226,612	340,727
Other comprehensive income for the year net of tax		-	-
Total comprehensive income for the year		226,612	340,727
Total comprehensive income attributable to members of the entity		226,612	340,727

The accompanying notes form part of these financial statements.

ROYAL YACHT CLUB OF VICTORIA
STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2015

	Note	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	4	218,543	668,854
Trade and other receivables	5	643,277	796,703
Inventories	6	39,968	42,533
Other current assets	7	6,005	5,246
TOTAL CURRENT ASSETS		907,793	1,513,336
NON-CURRENT ASSETS			
Other financial assets	8	200	200
Property, plant and equipment	9	3,764,396	2,891,730
TOTAL NON-CURRENT ASSETS		3,764,596	2,891,930
TOTAL ASSETS		4,672,389	4,405,266
CURRENT LIABILITIES			
Trade and other payables	10	300,740	467,125
Interest-bearing liabilities	11	-	75,000
Provisions	12	289,972	190,957
Other current liabilities	13	916,888	968,740
TOTAL CURRENT LIABILITIES		1,507,600	1,701,822
NON-CURRENT LIABILITIES			
Trade and other payables	10	200	200
Interest-bearing liabilities	11	521,638	314,060
Provisions	12	81,548	54,393
TOTAL NON-CURRENT LIABILITIES		603,386	368,653
TOTAL LIABILITIES		2,110,986	2,070,475
NET ASSETS		2,561,403	2,334,791
EQUITY			
Reserves	14	-	-
Retained earnings	15	2,561,403	2,334,791
TOTAL EQUITY		2,561,403	2,334,791

The accompanying notes form part of these financial statements.

ROYAL YACHT CLUB OF VICTORIA
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MAY 2015

	Note	2015 \$	2014 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members and other operating activities		3,320,357	3,406,527
Payments to suppliers and employees		(2,816,498)	(2,185,041)
Interest received		1,401	5,777
Borrowing costs		(29,670)	(13,384)
Net cash provided by operating activities	17 (b)	475,590	1,213,879
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(1,058,479)	(1,245,924)
Net cash used in investing activities		(1,058,479)	(1,245,924)
CASH FLOW FROM FINANCING ACTIVITIES			
Net Proceeds from/(Repayment of) borrowings		132,578	389,060
Net cash provided by financing activities		132,578	389,060
Net Increase/(decrease) in cash held		(450,311)	357,015
Cash at beginning of financial year		669,054	312,039
Cash at end of financial year	17 (a)	218,743	669,054

The accompanying notes form part of these financial statements.

**ROYAL YACHT CLUB OF VICTORIA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2015**

	Note	2015 \$	2014 \$
EQUITY			
Balance at beginning of the financial year		2,334,791	1,994,064
Profit/(Loss) for the year		226,612	340,727
Other comprehensive income for the year		-	-
Transfer from Reserve		-	-
Balance at end of the financial year		2,561,403	2,334,791
Represented by:			
Reserves:			
Balance at beginning of the financial year		-	-
Transfer to retained earnings		-	-
Balance at end of the financial year		-	-
Retained Earnings			
Balance at beginning of the financial year		2,334,791	1,994,064
Profit/(Loss) for the year		226,612	340,727
Other comprehensive income for the year		-	-
Transfer from Reserve		-	-
Balance at end of the financial year		2,561,403	2,334,791

The accompanying notes form part of these financial statements.

**ROYAL YACHT CLUB OF VICTORIA
(INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015**

Financial Reporting Framework

The financial report covers Royal Yacht Club of Victoria as an individual entity. Royal Yacht Club of Victoria Incorporated is an association incorporated in Victoria under the Associations Incorporation Reform Act 2012 (Vic).

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the Associations Incorporation Reform Act 2012 (Vic). Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

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.

(a) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis.

(b) Property, Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment – over 2 to 15 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 inflows, the recoverable amount is determined for the cash-generating unit to 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 costs 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.

Impairment losses (where applicable) are recognised in the income statement in the other expenses line item.

**ROYAL YACHT CLUB OF VICTORIA
(INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Con't)

(b) Property, Plant and Equipment (Con't)

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

Class of fixed asset	Rate
Club house building	2-20%
Hardstand and carpark areas	2-33%
Lockers & sundry	10%
Marina	3.34-33%
Cadet area	10%
Club boats	10-33%
Royal Training Centre Boats	10-20%
Furniture & equipment	6.67-33%
Computer equipment	10-33%

(c) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand, at banks and on deposit net of bank overdrafts.

(d) Employee Entitlements

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and other employee benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Wages and salaries, annual leave, long service leave and other employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Long service leave and other employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the entity in respect of services provided by employees up to reporting date.

Superannuation Guarantee Charge

The club pays the Superannuation Guarantee Charge (SGC) to superannuation schemes as required under applicable legislation.

(e) Income Tax

The club is exempt from Income Tax.

(f) Revenue

Sale of Goods: Revenue from the sale of goods (food, beverages, clothing and other items) is recognised at the point of sale when it is probable the economic benefits associated with the transaction will flow to the club and the amount of the revenue can be reliably measured.

Rendering of Services: Revenue from members' subscriptions and rental of marina space are recognised at the point of service to the member or customer when it is probable the economic benefits associated with the transaction will flow to the club and the amount of the revenue can be reliably measured.

**ROYAL YACHT CLUB OF VICTORIA
(INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Con't)

Deferred and unearned revenue: The Club receives revenue in advance from members and customers. These amounts are recorded as liabilities until such time as the requirements of the clubs revenue recognition criteria have been met at which time the amounts are reclassified to revenue.

Finance Income: Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(g) 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

**ROYAL YACHT CLUB OF VICTORIA
(INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015**

	Note	2015 \$	2014 \$
NOTE 2: REVENUE			
Operating activities			
- Clubhouse Income		826,907	830,356
- Membership fees		558,957	553,178
- Racing & Sailing		192,070	202,197
- Yard & Marina		1,209,829	1,094,572
- Other Income (including grants and donations)		144,169	278,478
- Interest - Bank		1,401	5,777
		2,933,333	2,964,558
NOTE 3: PROFIT FROM ORDINARY ACTIVITIES			
Profit (losses) from ordinary activities before income tax expenses (income tax revenue) has been determined after:			
(a) Expenses:			
Cost of sales		384,465	364,072
Borrowing costs:			
- other persons		29,670	13,384
Depreciation of non-current assets			
- Leasehold improvements & Plant & equipment		185,813	206,498
Bad and doubtful debts:			
- increase in doubtful debts provision		15,000	5,000
- members' accounts written off		12,404	22,209
Remuneration of the auditors for:			
- audit or review services		14,070	12,840
- accounting and consulting services		6,690	3,570
Operating Leases			
- Rent of Premises (from Parks Victoria)		47,760	47,634
(b) Significant (Revenue) & Expenses			
The following significant revenue and expense items are relevant in explaining the financial performance:			
Australian Sports Foundation grants received		(98,970)	(202,805)
Provisions for employee entitlements		126,170	57,935
NOTE 4: CASH AND CASH EQUIVALENTS			
Cash on hand		5,100	5,100
Cash at bank - NAB Business a/c		24,890	184,040
Cash At Bank – NAB Maximiser accounts		22,532	26,381
Cash at Bank - NAB Marina Prepayments Account		125,310	250,067
Deposits at call -See Change & Sail Training Fund		11,249	179,784
Cash and Deposits on Hand		25,891	17,167
Travel fund - NAB		3,571	6,315
		218,543	668,854

**ROYAL YACHT CLUB OF VICTORIA
(INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015**

	Note	2015 \$	2014 \$
NOTE 5: TRADE AND OTHER RECEIVABLES			
CURRENT			
Trade receivables		615,782	763,384
Less provision for doubtful debts		(30,000)	(15,000)
		585,782	748,384
Other debtors and accrued income		57,495	48,319
		643,277	796,703
Movement in provision for doubtful debts			
Opening balance		15,000	10,000
additional provision made during the year		15,000	5,000
Closing balance		30,000	15,000
Trade receivables are non-interest bearing and are normally on 30 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired.			
At 31 st May 2015, the ageing and analysis of trade receivables is as follows			
	Gross	Allowance	
Current	516,044		
31-60 days	14,629		
61-90 days	6,265		
91 days and over	78,844	30,000	15,000
Closing balance	615,782	30,000	15,000
NOTE 6: INVENTORIES			
CURRENT			
Finished goods at cost		40,968	42,533
Less Provision for stock obsolescence		(1,000)	-
		39,968	42,533
NOTE 7: OTHER CURRENT ASSETS			
CURRENT			
Prepayments		6,005	5,246
NOTE 8: OTHER FINANCIAL ASSETS			
NON-CURRENT			
Cash management & term deposit accounts with banks			
Livingston trophy fund		-	-
GD Low memorial fund		200	200
		200	200

**ROYAL YACHT CLUB OF VICTORIA
(INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015**

	Note	2015 \$	2014 \$
NOTE 9: PROPERTY, PLANT AND EQUIPMENT			
(a) Leasehold Improvements			
Clubhouse, at cost		1,394,733	1,250,861
Less accumulated depreciation		(500,070)	(455,855)
		894,663	795,006
Marina, at cost		1,932,722	1,440,617
Less accumulated depreciation		(1,139,276)	(1,073,311)
		793,446	367,306
Hardstands, at cost		1,964,711	669,453
Less accumulated depreciation		(373,605)	(356,271)
		1,591,106	313,182
Lockers and sundry, at cost		34,192	34,192
Less accumulated depreciation		(34,192)	(34,192)
		-	-
Car park, at cost		142,704	139,334
Less accumulated depreciation		(71,506)	(64,111)
		71,198	75,223
Cadet area, at cost		63,808	63,808
Less accumulated depreciation		(59,453)	(58,621)
		4,355	5,187
Total Leasehold Improvements		3,354,768	1,555,904
(b) Plant & Equipment			
Plant, furniture and equipment at cost		877,450	1,770,381
Less accumulated depreciation		(566,633)	(543,605)
		310,817	1,226,776
Club boats at cost		462,859	446,054
Less accumulated depreciation		(364,048)	(337,004)
		98,811	109,050
Total Plant & Equipment		409,628	1,335,826
Total property, plant and equipment		3,764,396	2,891,730

**ROYAL YACHT CLUB OF VICTORIA
(INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015**

	Note	2015 \$	2014 \$
NOTE 9: PROPERTY, PLANT AND EQUIPMENT			
(Continued)			

(c) 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 year.

	Clubhouse \$	Marina \$	Hardstand \$	Lockers & sundry \$	Car park \$
Balance at the beginning of the year	795,006	367,306	313,182	-	75,223
Additions	143,872	492,105	139,751	-	3,370
Transfer (from Plant & Equip)			1,155,507	-	-
Disposals	-	-	-	-	-
Depreciation expense	(44,215)	(65,965)	(17,334)	-	(7,395)
Carrying amount at end of year	894,663	793,446	1,591,106	-	71,198

	Cadet Area \$	Plant & Equipment \$	Club Boats \$	Total \$
Balance at the beginning of the year	5,187	1,226,776	109,050	2,891,730
Additions	-	262,576	16,805	1,058,479
Transfer (to Hardstand)		(1,155,507)		-
Disposals	-	-	-	-
Depreciation expense	(832)	(23,028)	(27,044)	(185,813)
Carrying amount at end of year	4,355	310,817	98,811	3,764,396

	Note	2015 \$	2014 \$
NOTE 10: TRADE AND OTHER PAYABLES			
CURRENT			
Unsecured liabilities			
Trade creditors		60,622	200,730
Australian Taxation Office (GST and PAYGW)		62,148	89,565
Sundry creditors and accruals		177,970	176,830
		300,740	467,125
NON-CURRENT			
Sundry creditors and accruals		200	200

**ROYAL YACHT CLUB OF VICTORIA
(INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015**

	Note	2015 \$	2014 \$
NOTE 11: INTEREST BEARING LIABILITIES			
CURRENT			
Secured liabilities			
Bank loans - NAB Flexible Rate Loan		-	75,000
NON-CURRENT			
Secured liabilities			
Bank loans - NAB Flexible Rate Loan		521,638	314,060
<p>The Club has a secured flexible rate loan facility limit of \$1,350,000 secured by security interest and charge over all present and future rights, property and undertakings of the club and Mortgage of lease over RYCV premises at 120 Nelson Place Williamstown. At the 31st May 2015, the club had drawn down \$521,638 of this facility. The Club has noted to the bank it only has approval from the members to draw down \$1,300,000 and will only draw on the loan up to the approved amount.</p>			
NOTE 12: PROVISIONS			
CURRENT			
Employee benefits	(a)	289,972	190,958
NON-CURRENT			
Employee benefits	(a)	81,548	54,393
(a) Aggregate employee benefits liability		371,520	245,351
NOTE 13: OTHER CURRENT LIABILITIES			
CURRENT			
Marina Prepayments in advance	(refer also Note 20)	340,909	245,454
Subscriptions in advance		448,984	437,188
Deferred income		97,093	241,187
Other Income In Advance		29,902	44,911
		916,888	968,740
NOTE 14: RESERVES			
Opening balance at start of financial year		-	-
Transfer to/(from) retained earnings		-	-
Balance at the end of the financial year		-	-
NOTE 15: RETAINED PROFITS			
Retained profits at the beginning of the financial year		2,334,791	1,994,064
Net profit (loss) attributable to members of the entity		226,612	340,727
Retained profits at the end of the financial year		2,561,403	2,334,791

**ROYAL YACHT CLUB OF VICTORIA
(INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015**

Note	2015 \$	2014 \$
NOTE 16: OPERATING LEASE COMMITMENTS		
The Club has successfully negotiated a 65 year lease with the Minister for the Environment, Climate Change and Water to be managed by Parks Victoria effective 1 st June 2015 and expiring on the 31 st May 2080. This lease was executed on the 14 th May 2015 and provides for annual CPI adjustments and market reviews every three years from the commencement date.		
Less than one year	93,500	30,158
Later than one year not later than five years	624,250	-
Later than five years	9,900,000	-
	10,617,750	30,158
NOTE 17: CASH FLOW INFORMATION		
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:		
Cash on hand	5,100	5,100
Cash at bank	47,422	210,421
Cash on deposit – See Change Account	11,249	179,784
Marina Prepayments Account	125,310	250,067
Cash and Deposits on hand	25,891	17,167
Travel fund	3,571	6,315
Livingston trophy fund	-	-
GD Low memorial fund	200	200
	218,743	669,054
(b) Reconciliation of cash flow from operations with profit / (loss) from ordinary activities after income tax		
Profit / (Loss) from ordinary activities after income tax	226,612	340,727
Non-cash flows in profit / (loss) from ordinary activities		
Provision for leave entitlements - increase/(decrease)	126,170	57,935
Provision for doubtful debts - increase/(decrease)	15,000	5,000
Depreciation	185,813	206,498
Changes in assets and liabilities		
(Increase)/decrease in receivables	138,426	(425,250)
(Increase)/decrease in other assets	(759)	2,144
(Increase)/decrease in inventories	2,565	(2,969)
Increase/(decrease) in payables	(166,385)	301,267
Increase/(decrease) in subscriptions in advance	11,796	412,313
Increase/(decrease) in income in advance	(63,648)	316,214
Cash flows from operations	475,590	1,213,879

**ROYAL YACHT CLUB OF VICTORIA
(INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015**

NOTE 18: RELATED PARTY DISCLOSURES

During the year ended 31 May 2015 no Committee members undertook any transactions with the Royal Yacht Club of Victoria (Incorporated) other than at normal member terms and conditions.

NOTE 19: CONTINGENT LIABILITIES

There were no contingent liabilities at 31 May 2015 that may become payable by the Royal Yacht Club of Victoria (Incorporated).

NOTE 20: EVENTS SUBSEQUENT TO BALANCE DATE

(i) Floating Marina Development

The Club is currently evaluating project costs in respect of a proposed Floating Marina to expand and improve the berthing and related facilities for club members. The total project costs are estimated to be in the order of \$13,200,000. It is proposed the funding for this project will be from members in the form of upfront long term marina licenses (between the club and members) and an external borrowing facility where required. Once all project costs and related funding and financing options have been determined, the project proposal will be put to members at a general meeting to be convened during the course of the 2015/16 reporting year. Prior to the 31st May 2015, the club has received prepaid marina license/fees amounting to \$340,909.01 (exc. GST). These prepaid amounts are voluntary payments on the part of members to assist the club in the preliminary costs of evaluation of the project. If the project is adopted by members then these prepayments will be attributed as license fees relating to the new marina. Should the project not proceed, these prepayments will be treated as contributions towards current club membership/marina fees over several years to ensure adequate cash flow for the Club.

(ii) Club House Development

The Club has evaluated the costs and related funding for the redevelopment of its Club House. The project is estimated to cost in the order of \$4-5 million. The Club has subsequently been offered donation to cover the entire project by Mr. Nigel Peck AM. A project team has been put together to ensure the facility is the best possible for the Club.

(iii) New Western Hardstand (former Platform Lift Area) and Wash down

The members voted on 27th February 2015 and amended this slightly at a meeting on 20th June 2015 to replace the platform lift area with a Travel lift operation. SMC marine was awarded the Tender and commenced work on this project in July 2015. The proposal is to concrete all the area and make safe the platform lift pit with a view to capping this at a future date with a deck strong enough to take a travel lift operation.

This project will be financed through drawdown of the loan facility (\$1,300,000) provided by the National Australia Bank and \$350,000 from the club's cash reserves.

As the outcome of the project will have substantially different financial benefit to the club from that initially envisaged the holding value of the asset in the clubs accounts will need to be reassessed. A formal assessment of the asset value will be undertaken when the project is completed and independent advice sought to determine an appropriate carrying value. A substantial write down on the cost of the asset is anticipated.

**ROYAL YACHT CLUB OF VICTORIA
(INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015**

Note	2015 \$	2014 \$
NOTE 21: CAPITAL EXPENDITURE COMMITMENTS		
Capital Expenditure commitments contracted for as at balance date.		
(i) Club House renovations Project	-	138,203
(ii) Platform Lift	-	500,220
(iii) Electricity Power supply upgrade	81,460	147,788
(iv) Trench project (re power supply)	-	60,850
Payable not later than 12 months (excluding GST)	81,460	847,061

NOTE 22: SEGMENT REPORTING

The Royal Yacht Club of Victoria (Incorporated) operates predominantly in one business and geographical segment, being promoting the use of all classes of sailing boats, the science of navigation and racing and provides social facilities for members of the club within Australia.

NOTE 23: ASSOCIATION DETAILS

The principal place of business of the association is:

Royal Yacht Club of Victoria

120 Nelson Place

Williamstown Vic 3016

**ROYAL YACHT CLUB OF VICTORIA
(INCORPORATED)**
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015**

NOTE 24: FINANCIAL INSTRUMENTS

	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate Maturities 1 year or less \$	1 to 5 years \$	Non Interest Bearing \$	Total \$
31 MAY 2015						
Assets:						
Cash assets	0.32%	218,543				218,543
Receivables					643,277	643,277
Other financial assets		200				200
		218,743			643,277	862,020
Liabilities:	6.52%					
Payables					300,740	300,740
Interest bearing liabilities		521,638		-	-	521,638
		521,638			300,740	822,378
Net financial assets/ (liabilities)		(302,895)			342,537	39,642
31 May 2014						
Total financial assets		669,054			796,703	1,465,757
Total financial liabilities		389,060		-	509,125	898,185
Net financial assets/ (liabilities)		279,994		-	287,578	567,572

(a) 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 association is exposed to earnings volatility on floating rate instruments. The financial instruments that expose the association to interest rate risk are limited to the secured flexible rate loan facility (refer Note 11) and cash at bank.

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial report.

The club does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the club.

(c) Net Fair Values

For other assets and other liabilities the net fair value approximates their carrying value.

The aggregate net fair values and carrying amount of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

**ROYAL YACHT CLUB OF VICTORIA
(INCORPORATED)
STATEMENT BY MEMBERS OF THE COMMITTEE**

In the opinion of the committee the financial report as set out on pages 1 to 16 :

1. Presents fairly the financial position of Royal Yacht Club of Victoria (Incorporated) as at 31 May 2015 and its performance for the financial year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Reform Act 2012 (Vic).
2. At the date of this statement, there are reasonable grounds to believe that Royal Yacht Club of Victoria (Incorporated) will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the Committee by:

**David Seaman
Commodore**

**Alex Campbell
Honorary Treasurer**

Dated this 27th day of August 2015



JOHN WOODWARD
CHARTERED ACCOUNTANT
A.B.N. 35 761 920 294

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
ROYAL YACHT CLUB OF VICTORIA
(INCORPORATED)**

Report on the Financial Report

I have audited the accompanying financial report of the Royal Yacht Club of Victoria Incorporated ('the Club') for the year ended 31st May 2015 as set out on pages 1 to 17 .

Committee's Responsibility for the Financial Report

The committee of the club is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Associations Incorporation Reform Act 2012 (Vic) and for such internal control as the committee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. My audit has been conducted in accordance with Australian Auditing Standards. Those standards require that I 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 control relevant to the entity's preparation of the financial report that gives a true and fair view 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 the committee, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In my opinion, the financial report of the Royal Yacht Club of Victoria Incorporated is in accordance with the requirements of the Associations Incorporation Reform Act 2012 (Vic) including:

- (i) giving a true and fair view of the financial position of the Royal Yacht Club of Victoria Incorporated as at 31st May 2015 and of its performance for the year then ended on that date; and
- (ii) complying with Australian Accounting Standards as disclosed in Note 1.

John Woodward
Chartered Accountant
Suite 1, Level 5, 398 Lonsdale Street, Melbourne Vic 3000
Dated this 27th day of August 2015