MHYC

MIDDLE HARBOUR YACHT CLUB

74th ANNUAL REPORT

Middle Harbour Yacht Club Limited

ABN: 95 000 248 877

Annual Report
For the Year Ended 30 April 2013

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Annual Report
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Flag Officers

Commodore	John McCuaig
Vice Commodore – Racing	Phil Clinton
Vice Commodore – Cruising	Colin Pitstock
Rear Commodore	John Sturrock
Club Captain	Julie Hodder

Directors

Chairman	Nigel Smyth
Treasurer	Neil Padden
Directors	Tony Bates
	Charo Devery
	Greg Young
	Greg West
	David Naismith
	John McCuaig
	Phil Clinton

Premises and Registered Office

Middle Harbour Yacht Club Limited
ABN 95 000 248 877 ACN: 000 248 877 (A Company Limited By Guarantee)
Lower Parriwi Road, The Spit, Mosman NSW 2088
Telephone: (02) 9969 1244
Facsimile: (02) 9969 3326
Website: www.mhyc.com.au

Auditors

Lawler Partners
1 Margaret Street, Sydney NSW 2000

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Chairman's Report

Welcome to 2013 MHYC Annual Report. In reading the following Flag Officers' reports I'm reminded of the diversity of the sailing activities supported by MHYC. You'll read that our Cruising Division has been doing a fantastic job supporting members' cruising activities for the last 37 years while our newest division, the Juniors, continues to introduce more and more young people to the joys of sailing. Our junior members can now learn to sail, race regularly, receive top class coaching or join an adventure sailing program that introduces our young members to the delights of cruising. Keelboat racing continues to be at the core of our activities and you will read of the ongoing work of our sailing committee that allows us to provide quality weekly racing and the hosting of top class regattas such as our very popular Sydney Harbour Regatta.

The economic climate continues to be challenging for clubs and the sport of sailing, with reducing fleet sizes being seen across the globe. The Treasurer's report outlines our financial position and highlights the importance of us continuing to attract new members and seek opportunities to increase our fleet sizes. While it is pleasing to see that food and beverage is now contributing positively, it has taken the whole year to deliver food in the Bistro and the Sandbar that meets members' expectations. I hope that the positive responses we have had to our recent changes are an indication that we have finally got the menu and quality right.

At MHYC we are proud to be the home of the Australian Sailing Team and it was wonderful to welcome them back to the club after their successes at the London Olympics. Our relationship with the Australian Sailing Team brings us multiple benefits, not least the presence of our medal winning sailors providing motivation and encouragement to our juniors, but also the AST have also been very willing to invest in our facilities. They have helped us with our new accessible toilet and in January we were delighted to have Minister for Sport, Kate Lundy, visit us to formally launch the $1.3 million rigging deck redevelopment funded by a Federal Government grant. The deck will allow the AST to base both the Paralympic and Olympic programs at MHYC and provide us with a crane and increased hardstand space.

Alongside the upstairs toilet improvements and the new rigging deck, we have rebuilt the upstairs balcony and are now about to start on the twenty eight berth marina extension. All these investments will not only improve the facilities for members but we hope will help us to attract new members to the club and new boats to our fleets. I'd like to thank all the members who have supported us financially this year. Without many of the existing debenture holders choosing to rollover their debentures, and a number of members taking out new debentures, the marina extension would not be possible.

Everything we do at MHYC is dependent on the volunteers and I want to thank everyone who contributed to the club through the year. Whether it is doing maintenance on the clubhouse, taking junior entries at their regattas, helping with race management or becoming a Flag Officer, you all play vital roles in our club and your Board is very grateful to you all.

Nigel Smyth
Chairman

Treasurer's Report

As in previous years, the Club's published profit and loss includes donations and grants. So I present a table here to clarify the results for the year compared to last year.

	Y2012/13 $	Y2011/12 $
Total revenue from Operations	$3,354,417	3.120.189
Less all expenses excl interest and depreciation	$2,806,634	$2,738,546
Operating Profit before interest and depreciation	$547,783	$381,643
Operating profit as percentage of total revenue	16.3%	12.2%
Less interest	$307,784	$282,609
Operating Profit after interest, before depreciation	$239,999	$99,034
Add ASF Funding from "Build a Better Club" appeal	$25,745	$62,511
Add Adopt A Plank	$14,551	$0
Add Government grants	$10,000	$22,530
Less depreciation	$510,650	$477,517
Published Profit/(Loss) after all expenses	-$220,355	-$293,442

You can see that the operating profit before depreciation, grants and donations was $141K better than last year. The biggest contributor to this improvement was the Food and Beverage, which is now operating profitably. The Marina continues to generate strong cash flow and the contribution from Marketing and Sponsorship improved through reduced costs. All good news for the Club

However pressures on revenue continued in Sailing and Membership, and large increases in utilities costs hurt our overhead costs. We also increased spending on repairs and maintenance of the building, funded by the refurb levy, as foreseen in my last report.

Cash Flow in 2012/13 was negative, with structural changes to the business resulting mainly from the new F+B arrangements causing a significant reduction in Trade Creditors (see Note 9). This is a one off impact, and our budget for 2013/14 gives a significant positive cash flow.

During the year, the Club continued to improve the facilities with the construction of disabled toilets upstairs, and the refurbishment of the main balcony (due for completion shortly).

The Marina Committee finalized the design and approvals for the new marina extension during the year, and the construction contract was signed on 15 April. This is a very important project for the Club, which will bring increased participation in the Club's activities in the short term, and significantly increased cash flow in the longer term.

The marina extension is funded by new debentures and new marina berth licences. During March the club rolled over $3.2M of existing debentures, and raised new debentures of $2M to finance the marina extension and the repayment of those debentures not being rolled over. A further $250K of debentures was raised in May. As before, all the debentures are held by members, and I would like to thank those members for their fantastic support.

As in previous years I remind you that, in Note 13, the current liability of $243,135 and the non current liability of $639,898 for Prepaid Berth Guarantee Fees are amounts paid in advance for marina berth licences. These will never be liable for repayment, and each year a proportion of the original guarantee fee is transferred to revenue.

Close management of cash flow will remain a priority for the medium term, and for the next two years in particular.

While the financial position of the Club remains tight – as it has been now for a number of years – the Directors believe we are well positioned to substantially improve on our position in the coming periods. However this will only be achieved by our retaining and growing club membership and by increased usage of club facilities by our members, and the Board looks forward to member support to bring this about.

Our focus for 2013/14 is to capitalize on the clubs membership base, location and great sailing programme to increase membership, generate further sponsorship, and further develop the Food and Beverage activities while tightly controlling costs.

In the medium term, in 2014/15 we will have paid off the deficit related to the previous F+B provider, and the first of the 10 year marina berth licences, used to finance the original marina, will expire. These will significantly increase the Club's cash flow next year and in the flowing years, and will enable us to start reducing debenture debt.

Neil Padden
Treasurer

Commodore's Report

This year's Membership building levy has enabled many changes around the Club with the hard work of volunteers completing essential maintenance and projects. Our Marina Committee have worked tirelessly to get approval for the extension to the marina, with works beginning in July 2013, which will see an increase of berths by 35%. Other volunteer groups have been kept busy with the upkeep of the Club from gardening, painting, trophy polishing to the upgrade of the Ladies bathroom upstairs and the addition of an accessible bathroom as part of the funds received from the NSW Sport and Recreation, Australian Sailing Team and Access Worlds. We are also very excited about our new balustrade on the upstairs balcony and also currently seeing the new planks being installed through the Adopt-A-Plank initiative.

MHYC is very fortunate to be the home of the Australian Sailing Team and have the National Training Centre here. We all congratulate the entire Australian Sailing Team for their outstanding efforts and results at the 2012 London Olympics. The Club has been enriched with their presence and thank many of the Team for making themselves available after the Olympics to our junior sailors and Members who were delighted to join in the celebrations of their success! We are still seeing the increase in participation, especially within the Junior Sailing Program, from the spark that has been created from the success of our Australian Sailing Team. We have already seen the improvements that have transformed the Club through the AST and now look forward to a hardstand, crane and extension to the rigging deck this year.

The 2012/13 season has been a successful and rewarding year. Our Sydney City Marine Winter Series is now well underway with the new season almost upon us. Our Annual Get Checked weekend was extremely successful with over 50 audited over the weekend, allowing all boats to be ready to race well before the next season begins.

The Annual Prize Presentation for the season was changed from the traditional dinner to a cocktail party with the Twilight series participants and winners being involved for the first time. It was another successful night and all seemed to enjoy the new format. As always the special awards were the highlight and congratulations to the following winners:

- **The R.B. Cooper Perpetual Award for Voluntary Service** – Phil Clinton
- **Norman G. Booth Trophy –** Mike & Hilary Gallagher
- **The MHYC Flag Officers Participants Award** – Wailea (Neil Padden)
- **Crew Member of the Year Award** – Rodney Zwegers

Once again our two major yachting regattas, the Sydney Short Ocean Racing Championship (SSORC) incorporating the first ever Beneteau First 40 Championship and the Sydney Harbour Regatta (SHR) incorporating the Sydney 38 National Championship were a great success and could not have been conducted without the support of the other key Sydney Clubs and the hard work put in by Staff and Volunteers.

MHYC also held the Adams 10 Championship in January and the Melges 32 National Championship in April 2013. Major Centreboard Regattas included International 420 Class and International 470 Class NSW State Championships in March 2013 and the East Coast Championships for the International Optimist Dinghy Class, International Cadet Class and the International 420 Class over the June Long Weekend.

Our annual Barefoot Ball was another Club event which saw a change to the format, being brought forward to February to make use of the warmer weather. The theme this year was Mexican, with a mariachi band, Mexican food and drinks and plenty of dancing music. Our thanks to volunteer, Abbey Gazzard and her helpers, for all their hard work in putting this together and making it such a great night.

There have been many great sailing achievements over the last year and MHYC boats have done well in various regattas around Australia. Special mention should go to the following members:

- In the Audi IRC Australian Championship held in January 2013 at Royal Geelong Yacht Club, Hooligan (Marcus Blackmore) took 2nd place in Division 1 – on a count back!
- In the Pittwater to Coffs Harbour Race, Just A Dash (Phil Dash) took the PHS & IRC double on corrected time in Division 2 and Swish (Steven Proud), taking 3rd for Line Honours by just 10 seconds!
- Junior Regatta results – NSW Opti States – 1st Max Paul, 2nd Alec Brodie, 1st female Ashleigh Coles
  East Coast championships – 1st Max Paul, 2nd Archie Cropley, 3rd Otto Henry, 1st female Ashleigh Coles
  420's – Xavier Winston-Smith & Joshua Dawson – 2nd Australian Nationals & 3rd Australian Youth Nationals

I would like to thank all our volunteers, from the Board, my fellow Flag Officers, Race Management, office volunteers and all our various committees, for their continued support of the Club and keeping the Club alive and well. I would also like to take the time to thank our wonderful staff for their efficiency, friendliness and professionalism.

In tough economic times, growth in Membership, consolidation of the Junior and Senior racing programs and the volunteer spirit needs to be at the forefront to bring Club Members closer together to provide the atmosphere we are renowned for. I look forward to an exciting 2013/14 season and hope you will all join me in participating in as many Club activities as you can.

John McCuaig
Commodore

Vice Commodore - Racing Report

Another year has passed and it was a good year for the Club's racing. The Club is becoming known as a club that can run good racing and regattas. Again this year we had a full calendar of racing. As we go to press the 2013 / 2014 racing program is being finalised and it will be another full year.
We like most other single sport clubs are finding it hard to get members and in our case expand our racing fleet.

Our biggest increase in numbers is in the junior ranks. As I write this we have just hosted the East Coast Championships which featured a total of 64 Optimists competing. This fleet featured sailors from eight years old to fifteen years old. All we need to do now is to get the same enthusiasm back into the yacht fleet.

We have tried over the last few years to bring yachts into more appropriate divisions as their skills and experience increase and then move them up to more appropriate divisions.

With this in mind we are currently finalising a new initiative to provide training to the owners and crew less experienced with racing in a bid to get them to join the Saturday racing. The aim of the program is to increase the confidence of the skippers and crew so that they feel comfortable to fleet race.

While this is going on we have continued with our normal sailing program on Saturdays, Wednesdays, and Thursday Twilights.

Both the Sydney Harbour Regattas (SHR) and the Sydney Short Ocean Regatta (SSORC) were a success again this year.

I would like to take this opportunity to thank all our race management volunteers and the sailing office for the great effort they have put into making the racing a success. We are always looking for more people to help the team. If you could spend some time helping out please contact the sailing office.
So with the marina extension and the new hardstand about to commence we are looking forward to another good year.

Phil Clinton,
Vice Commodore – Racing MHYC

Vice Commodore - Cruising Report

The Cruising Division, which is now in its 37th year as part of MHYC, provides an alternative to racing as an on-water pastime for its Members. The main focus remains active participation in safe yet adventurous cruising, which the whole family can enjoy, both on the harbour and up and down the coast. This also provides a place for people to meet and gather in a relaxed and friendly social environment, where experiences are shared as we all learn and develop our cruising skills further. This is done with our comprehensive Cruising Handbook, which is a guide to many things to do with cruising.

Our monthly meetings remain extremely popular with the regular attendance of over fifty new and old Members. Guest speakers cover a range of topics, from anti foul to electronics to toilet problems & how to deal with them. All of these topics are entertaining and educational, as selected by our Members, plus of course plenty of time for socialising, like the Long Lunch we held in the spectacular Quarterdeck in July, or our cruise to Botany Bay plus lunch at Omeros.

Our highly educational and entertaining monthly publication, Compass Rose, lists topics for future meetings, such as Senior First Aid courses, radio operations and a refresher on diesel maintenance, which are freely open to all Members of MHYC and guests. Read the Compass Rose on the Club's website or ring the office for a copy.

We have had a great year and I sincerely would like to thank all of the committee members for their hard work & the Admirals on every boat for allowing their crew to attend, plus all the Cruising Division Members for the effort they put into the Cruising Division. I look forward to next year with great excitement as we enjoy tenfold what we all individually invest into the division.

On a final note, I look forward to seeing you out there, either on the blue seas or at a Cruising Division meeting or maybe at a social event, like our Cooking School at Blackwattle Bay, or a progressive dinner on board our boats in Sugar Loaf Bay or a trip to Port Stephens. All these events enable us to spend more time sailing with our Cruising Division and other like-minded friends.

Colin Pitstock
Cruising Captain and Vice Commodore - Cruising

Rear Commodore's Report

MHYC Centreboard Division has continued to expand with over 450 members now actively involved in sailing activities over 5 days a week.

The program has become well established as one of the largest learn to sail and squad programs running 12 months of the year in Australia.

The program now starts at four years of age with the Tackers 0 through to advanced racing squads competing at the highest national level within Australia. MHYC has also had several Optimist squad members compete overseas in New Zealand and Asia over the past year flying the flag for our club and continuing on the proud tradition of junior centreboard sailing at MHYC.

A well development and established pathways for sailing allow for both single and double handed sailing in Optimist, International Cadets and 420's allows the juniors to continually develop their skills and enjoyment of the sport. Our coaching staff has increased with Lachlan Pryor – Optimist and Head coach, Rob Brewer in 420's and Ed LeGassick in Optimist development

A new innovation over the past 12 months has been the introduction of the Adventure Sailing program on Saturday afternoons for the Optimist kids not wishing to go racing but rather exploring the harbour and environment that is sailing. This program has a strong following and will be offered again every term. Under the watchful eye of Head Instructor – Leon Wilson, these kids also do passage planning and forecast ahead of their journey. Supported by Rory Pryor, Jayden Rouse, Harry West and Ryan Spring, along with our Trainee Instructors - Emily McNaughton, Raen Johnson. Liam Aquilina, James and Charlotte Griffin, Hannah Ranger, Ashleigh Coles and Kurt Braden.

Over the Summer season, MHYC hosted around 250 kids every week with sailing at the club with Sundays jam packed with up to 150 kids sailing and racing from the beach.

Winter sailing continues every Sunday with racing and coaching occurring with a goal of the Queensland Youth week thawing out the kids and parents in the middle. Other events conducted by MHYC include Spit Championships, Sound Championships, 420/470 State Championships and the East Coast Championships.

Regular assistance from our strong Volunteer base ensures that the small and dedicated team at MHYC can conduct such well run events.

Next year will hopefully see a new hardstand and crane in place to expand the storage of the dinghy classes at MHYC, plus the addition of a crane for loading into the water. The next stage in the program will now be able to take hold and link the big boats to the little boats!

The continued growth of the program could not occur without a team of dedicated instructor and coaches and a keen and dedicated committee supporting the program.

John Sturrock
Rear Commodore

Club Captain's Report

Membership for the 2012-2013 season is the highest it has been for some years Junior membership numbers have escalated due to the very successful Junior Sailing Program. The right strategies are now being implemented to retain these Members for the years to come. They will continue to become the lifeblood of our Club.

All clubs are struggling for membership numbers and viability. The Membership Committee, along with the Board are looking at new strategies to make membership to our Club more affordable and relevant to our growing category of juniors, students and crew.

Your Club needs every Member to help the Club prosperous and grow. We need to not only encourage those who are currently sailing at the Club as non-members, but also new blood. It is recognized that it is a challenge to grow the "full & crew Member" categories, however I would encourage all people who regularly sail and are not current Members of the Club, to appreciate the costs associated with providing the facilities and resources that are required to enable us to enjoy this unique sport of sailing, to join us at MHYC as Members. To our current skippers, I encourage you to support the club by ensuring your crew become Members too.

Over the past couple of years we have seen many major improvements to the Club. Upstairs we now have our new accessible toilet and baby changing area as well as improvements to the Ladies bathroom. The money for this was provided by a $21,500 grant from NSW Sport and Recreation as well as a $10,000 contribution from the AST. Thanks to fellow member and project manager, Wayne Collins, this project was implemented both on time and will provide additional facilities to our members and guests.

The upstairs balcony is undergoing a much needed rebuild. We are still accepting donations for the planks to complete the decking, Have you sponsored your plank yet? There is still time to do so!
Parking has been a major issue for many of us and your Club Officers have been working towards a suitable solution. We are pleased to announce that Mosman Council has recognised our situation and has agreed to provide discounted parking for our Members. We require 100 members to sign up for a yearly parking permit, and we will then be able to obtain a 50% reduction in the price.

Our sailing clinics have continued to be successful, especially those that are involved in improving sailing skills. If you have any good ideas for future events, please let us know.

MHYC was built by its volunteers and it is pleasing to see that this spirit continues to flourish. I would like to recognize Jack Stening and his band of volunteers for the huge amount of work that they have done this year, both inside and outside the Club. The volunteer ladies that man the front reception desk each week also deserve a special mention. Their happy smiling faces at reception, makes the entrance to the Club a more pleasant atmosphere and allows the staff to get on with their work. Volunteering is both fun and rewarding. There are plenty of jobs for all sorts of skills and abilities, so contact the office if you would like to join in.

This year has also seen the regular social events including the Opening Day (and thank-you brunch to our volunteers), Barefoot Ball, the Melbourne Cup Lunch and Seniors Lunch which as usual were very well attended and add to the fabric of the Club being more than just a Sailing Club. This year our annual presentation was a cocktail event allowing the Club to get together to celebrate all winners, including the very popular Twilight Series.

In closing, this is the final year of my tenure as a Club Officer. I very much enjoyed my experience first as Vice Commodore, then as Commodore and this year as Club Captain. It has been a delight and privilege to be associated with you all. We are by no doubt THE friendliest Yacht Club and as Victor Kovalenko says "*The best kept secret in the World*"!

I love this Club and will still be around as a volunteer, so hope to see you there.

Julie Hodder
Club Captain

Middle Harbour Yacht Club Limited

ABN: 95 000 248 877

Financial Statements

For the Year Ended 30 April 2013

Middle Harbour Yacht Club Limited

ABN: 95 000 248 877

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For the Year Ended 30 April 2013

Directors' Report

For the Year Ended 30 April 2013

Your directors present their report, together with the financial statements of the Club, being the company and its controlled entities, for the financial year ended 30 April 2013.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Position	Appointed/Resigned
W Carpenter	Chairman	Resigned 1/02/2013
C Crafoord	Director	Resigned 19/07/2012
C Devery	Director	
N Padden	Director / Treasurer	
G Young	Director	
A Bates	Director	
J Hodder	Director	Resigned 19/07/2012
N Smyth	Chairman	
G West	Director / Secretary	
J McCuaig	Director / Commodore	Appointed 19/07/2012
P Clinton	Director	Appointed 31/08/2012
D Naismith	Director	Appointed 30/04/2013

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 the Club during the financial year were to promote the participation in the sport of sailing.

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

Short term objectives

The Club's short term objectives are to:

- To improve the cash flow position by careful management of all expenditure
- To actively promote growth of the sailing fleet and increased patronage of the club by members
- To mount a major membership drive
- To continue strong growth of junior sailing program
- To optimise the potential for increased revenue from the new food & beverage arrangements
- To increase sponsorship, particularly of junior sailing and the Club’s major regattas
- To construct a further 28 berths to the existing 75 berth floating pontoon marina

Directors' Report

For the Year Ended 30 April 2013

Long term objectives

The Club's long term objectives are to:

- Achieve improved operating performance of the Club to strengthen cash position
- Actively pursue increased membership and sailing activity
- Increased revenue from food and beverage operations – this being a major service and income generator for the Club
- Continue development of junior sailing program – and extending this into youth sailing activity
- Continued tight controls on expenditure
- Reduce debenture debt and the associated interest charges

Strategy for achieving the objectives

To achieve these objectives, the Club has adopted the following strategies:

- Board to set an appropriate budget and an accompanying set of objectives to be achieved – current year and longer term
- The Flag Officers, together with the Board and Club Management to work actively to achieve clearly defined objectives
- Monthly Reporting of Financial and Operating Matters

How principal activities assisted in achieving the objectives

The principal activities assisted the Club in achieving its objectives by:

- An active and comprehensive sailing and regatta program successfully implemented throughout the year. This is a highly regarded race program which encourages both member yachts and non member yachts to participate in Club Events – being the core of our operations
- The Club holds the enviable position of being one of the leading Yacht Clubs on Sydney Harbour – long established and widely recognised
- Set up new catering arrangements to provide food and beverage services for members through all club food and beverage areas
- The Club has a well formed management structure, solidly backed by a culture of volunteer support and engagement coming out of its long term member base
- The Club's location – complete with its club house, marina, dinghy storage and launching facilities and its very unique beach, places the Club well for active support by its members

Performance measures

The following measures are used within the Club to monitor performance:

- Monthly comparisons of actual and budget expenditure and analysis of any variances
- Close monitoring of cash flow
- Questionnaires to Club Members to gain feedback in areas where improvements are required
- Management Performance indicators assessed on regular basis

Directors' Report

For the Year Ended 30 April 2013

Information on directors

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

W Carpenter	(resigned 1/2/2013)
Qualifications	B Ec (Syd)
Experience	Accountant by Training Over 30 years in experience in Director & CEO roles in the Property and Funds Management Sectors
C Crafoord	(resigned 19/7/2012)
Experience	Managing Director for over 20 years
C Devery	
Qualifications	MAICD, ASCA, ACIS, AFAIM
Experience	Held positions of Director & CEO and currently Director of Co-Concepts Consulting Pty Ltd
N Padden	
Qualifications	BSc MBA
Experience	Senior general Management Roles and directorships with KONE Corp a leading company in the elevator and escalator industry
G Young	
Qualifications	Qualified Aircraft Engineer trained with Qantas
Experience	Director of Marine Consulting Company for past 15 years
A Bates	
Qualifications	B Comm
Experience	General Management & CEO Pharmaecutical & Chemicals Industry
J Hodder	(resigned 19/7/2012)
Qualifications	B Sc Ed
Experience	Teaching for 20 years and moved into Mangement Roles in Software Education Industry
N Smyth	
Qualifications	Bachelor of Electronic Systems
Experience	Group Head of Market Operations & Technology Group Macquarie, over 20 years as principle & director positions in financial industry
G West	
Qualifications	Chartered Accountant
Experience	CEO and non executive director. Experience in senior finance executive roles. Experienced Audit Committee Chairman advising Government and major companies on assurance, governance, and accounting and finance issues

Directors' Report
For the Year Ended 30 April 2013

Information on directors (Cont'd)

J McCuaig

Qualifications	Diploma Financial Services, Fellow Financial Services Institute
Experience	30 Years Banking & Finance, 12 years operating own Finance Broking business

P Clinton

Qualifications	Certified Financial Planner, Accredited Estate Planning Strategist, Bachelor of Business in Accounting
Experience	Over 30 years experience in financial planning and is currently licensed through the Madison Financial Group and deals mainly with high net worth individuals and family groups.

D Naismith

Qualifications	BComm, MBA, CA
Experience	Co-founding Director of renewable energy group specialising in commercial and government projects. Director and CFO role of publicly listed group. Corporate finance background as a Chartered Accountant

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

Members guarantee

Middle Harbour Yacht Club Limited 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 member and any person or association who ceased to be a member in the year prior to the winding up, is limited to $ NIL for members that are corporations and $ 100 for all other members, subject to the provisions of the company's constitution.

At 30 April 2013 the collective liability of members was $ 156,400 (2012: $ 138,900).

Meetings of directors

During the financial year, 14 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
W Carpenter	8	5
C Crafoord	3	2
C Devery	12	8
N Padden	12	11
G Young	12	9
A Bates	12	11
J Hodder	3	3
N Smyth	12	11
G West	12	9
J McCuaig	9	8
P Clinton	7	6
D Naismith	1	1

Directors' Report
For the Year Ended 30 April 2013

Review of operations

There were no significant changes in the state of affairs during the financial year.

The following changes in the operation of the parent entity occurred during the financial year:

(i) The Club entered into a revised Function Services and Club Food Services agreement with EMR Cucina Pty Ltd (Cala Luna) on 16 September 2012. This contract fine tunes the arrangements for Functions run at the Club, and the provision of food and beverage services to members and guests.

(ii) The Club repaid 5 debenture holders to a total of $212,500 during the financial year.

(iii) The Club rolled over $3,157,000 of debentures for terms of 4, 5 and 6 years on 15 March 2013, leaving $250,000 to be repaid by 15 March 2014.

(iv) The Club raised $1,965,500 of new debentures on 15 March 2013. The principle purpose is to finance the repayment of those existing debentures not being rolled over, and to finance the construction of the new Marina Extension.

(v) In March and April 2013 the club issued one 10 year marina berth licence to a value of $118,770, and two licence extensions to existing licence holders to a total value of $81,242.

(vi) On 15 April 2013, the Club signed a construction contract with Landmark Marinas Pty Ltd for the 28 berth marina extension, for a sum of $1,844,155 plus GST. A down payment of $200,000 plus GST was made on 14 May 2013.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 April 2013 has been received and can be found on page 6 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: .... N Smyth

Director: .... N Padden

Dated 13 June 2013

Middle Harbour Yacht Club Limited

ABN: 95 000 248 877

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 To the Directors of Middle Harbour Yacht Club Limited and Controlled Entities

I declare that, to the best of my knowledge and belief, during the year ended 30 April 2013, 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.

Lawler Partners

LAWLER PARTNERS

Chartered Accountants

STobutt

SCOTT TOBUTT

Partner

Sydney

Dated this 13th day of June 2013

Consolidated Statement of Comprehensive Income
For the Year Ended 30 April 2013

	Note	2013 $	2012 $
Revenue	2	**3,378,968**	3,120,189
Other income	2	**25,745**	85,041
Cost of sales	3	**(857,109)**	(865,783)
Employee benefits expense		**(958,825)**	(836,811)
Depreciation expense	3	**(510,650)**	(477,517)
Cleaning		**(26,496)**	(22,323)
Finance costs	3	**(307,784)**	(282,609)
Regatta and sponsorship expenses		**(220,265)**	(299,779)
Insurance		**(101,742)**	(108,812)
Rates and utilities		**(79,968)**	(68,633)
Rental and leasing outgoings		**(194,939)**	(188,484)
Repairs and maintenance		**(124,023)**	(143,575)
Other expenses		**(243,267)**	(204,346)
Loss before income tax		**(220,355)**	(293,442)
Income tax expense		**-**	-
Loss for the year		**(220,355)**	(293,442)
Other comprehensive income:		**-**	-
Total comprehensive loss for the year		**(220,355)**	(293,442)

The accompanying notes form part of these financial statements.

Middle Harbour Yacht Club Limited
ABN: 95 000 248 877

Consolidated Statement of Financial Position
As at 30 April 2013

	Note	2013 $	2012 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	**2,291,951**	807,127
Trade and other receivables	6	**124,448**	65,515
Inventories	7	**52,751**	42,951
TOTAL CURRENT ASSETS		**2,469,150**	915,593
NON-CURRENT ASSETS			
Property, plant and equipment	8	**8,763,571**	7,065,186
TOTAL NON-CURRENT ASSETS		**8,763,571**	7,065,186
TOTAL ASSETS		**11,232,721**	7,980,779
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	**384,066**	552,401
Borrowings	10	**288,484**	88,484
Other financial liabilities	11	**145,660**	145,660
Short-term provisions	12	**61,370**	47,438
Other liabilities	13	**368,293**	332,514
TOTAL CURRENT LIABILITIES		**1,247,873**	1,166,497
NON-CURRENT LIABILITIES			
Borrowings	10	**5,324,543**	3,810,027
Other financial liabilities	11	**47,103**	127,850
Long-term provisions	12	**24,520**	14,937
Other liabilities	13	**639,898**	763,348
TOTAL NON-CURRENT LIABILITIES		**6,036,064**	4,716,162
TOTAL LIABILITIES		**7,283,937**	5,882,659
NET ASSETS		**3,948,784**	2,098,120
EQUITY			
Reserves	14	**5,253,236**	3,182,217
Accumulated losses		**(1,304,452)**	(1,084,097)
TOTAL EQUITY		**3,948,784**	2,098,120

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity
For the Year Ended 30 April 2013

	Accumulated losses $	Asset Revaluation Reserve $	Total $
Balance at 1 May 2012	**(1,084,097)**	**3,182,217**	**2,098,120**
Loss for the year	**(220,355)**	**-**	**(220,355)**
Revaluation increment	**-**	**2,071,019**	**2,071,019**
Balance at 30 April 2013	**(1,304,452)**	**5,253,236**	**3,948,784**

	Accumulated losses $	Asset Revaluation Reserve $	Total $
Balance at 1 May 2011	(790,655)	3,182,217	2,391,562
Loss for the year	(293,442)	-	(293,442)
Balance at 30 April 2012	(1,084,097)	3,182,217	2,098,120

Consolidated Statement of Cash Flows
For the Year Ended 30 April 2013

	Note	2013 $	2012 $
CASH FROM OPERATING ACTIVITIES:			
Receipts from customers		**3,636,048**	3,414,634
Grant funds received		**25,745**	85,041
Payments to suppliers and employees		**(3,467,250)**	(3,176,566)
Interest received		**22,235**	41,122
Finance costs		**(307,784)**	(282,609)
Net cash provided by / (used in) operating activities	22	**(91,006)**	81,622
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		**(138,686)**	(249,948)
Net cash used by investing activities		**(138,686)**	(249,948)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings		**2,185,500**	-
Repayment of borrowings		**(470,984)**	(27,211)
Net cash provided by / (used by) financing activities		**1,714,516**	(27,211)
Net increase (decrease) in cash and cash equivalents held		**1,484,824**	(195,537)
Cash and cash equivalents at beginning of year	5	**807,127**	1,002,664
Cash and cash equivalents at end of financial year		**2,291,951**	807,127

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 April 2013

The financial report includes the consolidated financial statements and notes of Middle Harbour Yacht Club Limited (Parent) and controlled entities (the Club). Middle Harbour Yacht Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.

Note 1 Summary 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, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements 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.

(a) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Middle Harbour Yacht Club Limited at the end of the reporting period. A controlled entity is any entity over which Middle Harbour Yacht Club Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

(b) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Bar and catering sales

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Rental revenue

Revenue from marina and moorings is recognised on a straight-line basis for leases with fixed rental increases. For all other leases, revenue is recognised when the trust has a right to receive the rent in accordance with the lease agreement.

Commercial property rental revenue is recognised on a straight-line basis over a period of lease term so as to reflect a constant periodic rate of return on the net investment.

Interest revenue

Interest revenue is recognised using the effective interest rate 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.

Note 1 Summary of Significant Accounting Policies (Cont'd)

(b) Revenue and other income (Cont'd)

Rendering of services

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the reporting date and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Grant revenue

Grant revenue is recognised in the consolidated statement of comprehensive income when the entity obtains control of the grant, 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.

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 consolidated 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.

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

(c) 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 Tax 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 the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.

(e) Inventories

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

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(f) Property, plant and equipment

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

Note 1 Summary of Significant Accounting Policies (Cont'd)

(f) Property, plant and equipment (Cont'd)

Property

Marina and Moorings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of Marina and Moorings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against this reserve directly in equity; all other decreases are charged to the consolidated statement of comprehensive income.

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

Leasehold premises are measured at fair value.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a reducing balance basis over the asset's useful life 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. Land is not depreciated.

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

Leasehold premises	4%
Marina and Moorings	4%
Building Improvements	10%
Plant and Equipment	10%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the consolidated statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Note 1 Summary of Significant Accounting Policies (Cont'd)

(g) Impairment of non-financial assets

At the end of each reporting year, the Club 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 asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Value in use is either the discounted cash flows relating to the asset or depreciated replacement cost if the criteria in AASB 136 'Impairment of Assets' are met. Any excess of the asset's carrying value over its recoverable amount is expensed to the consolidated statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Club estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where the future economic benefits of the asset are not primarily dependent upon the asset's 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 as the depreciated replacement cost of an asset.

Impairment losses recognised in respect of CGU's are allocated first to reduce the carrying amount of goodwill to nil and then to the other assets in the unit in proportion to their carrying amount.

Assets, other than goodwill that have an allocated impairment loss are reviewed for reversal indicators at the end of each reporting period. After recognition of an impairment loss, the amortisation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount on a systematic basis over its remaining useful life.

Impairment losses are recognised as an expense immediately, unless the relevant asset is property, plant and equipment held at fair value (other than investment property carried at a revalued amount) in which case the impairment loss is treated as a revaluation decrease as described in the accounting policy for property, plant and equipment.

(h) 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*.

(i) Financial instruments

Initial recognition and measurement

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

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Note 1 Summary of Significant Accounting Policies (Cont'd)

(i) Financial instruments (Cont'd)
Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. 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:

(a) the amount at which the financial asset or financial liability is measured at initial recognition;

(b) less principal repayments;

(c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and

(d) less any reduction for impairment.

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 value with a consequential recognition of an income or expense in profit or loss.

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

The Club does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at ‘fair value through profit or loss’ when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *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.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

(iii) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Club has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Note 1 Summary of Significant Accounting Policies (Cont'd)

(i) Financial instruments (Cont'd)

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

Objective evidence that a financial asset is impaired includes default by a debtor, evidence that the debtor is likely to enter bankruptcy or adverse economic conditions in the stock exchange. At the end of each reporting period, the Club assess whether there is objective evidence that a financial asset has been impaired through the occurrence of a loss event. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to indicate that an impairment has arisen.

Where a subsequent event causes the amount of the impairment loss to decrease (e.g. payment received), the reduction in the allowance account (provision for impairment of receivables) is taken through profit and loss.

Impairment losses are recognised through an allowance account for loans and receivables in the consolidated statement of comprehensive income.

Financial guarantees

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition. The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the company gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

Derecognition

Financial assets are derecognised where 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 expired. The difference between the carrying value 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.

(j) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Club during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Note 1 Summary of Significant Accounting Policies (Cont'd)

(k) Provisions

Provisions are recognised when the Club has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the consolidated statement of comprehensive income.

(l) 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 Club.

Key estimates - impairment of property plant and equipment

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

With respect to cash flow projections for marina and moorings based in Australia, growth rates of 3% have been factored into valuation models for the next 21 years based on the lease term signed with NSW Maritime in 2009. The rates used incorporate allowance for inflation. Pre-tax discount rates of 10% have been used in all models.

Key estimates - fair value of leasehold premises, marina and moorings, clubhouse development and property developments

The Club carries these assets at fair value with changes recognised in revaluation reserve. On 23/01/2013, a valuation report was obtained by management from LandMark White valuers. The fair value of these assets is based on their fair value less cost to sell, in an active market, and was determined to be $10,000,000. The independent valuation is dependent upon a change in allowed use of the leased land to "commercial marina". As this change has not occured, the directors resolved to adopt $7,692,500 for marina and rigging deck, leasehold premises, clubhouse and property developments, which is 85% of the fair value determined by LandMark White. The directors adopted $562,963 for moorings, taking into account expected changes to the size of the Club's mooring farm. The total fair value adopted by the directors is $8,255,463 in this financial year.

Key judgments - provision for impairment of receivables

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

Key judgments - income tax exemption

The directors of the Club self-assess income tax exemption status each year by filling out the income tax exemption self-assessment form provided by the ATO. The directors assessed the Club as income tax exempted this financial year given its sporting nature and accumulated losses.

Notes to the Financial Statements
For the Year Ended 30 April 2013

Note 1 Summary of Significant Accounting Policies (Cont'd)

(m) Adoption of new and revised accounting standards

During the current year, the Club adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these Standards has not impacted the recognition, measurement and disclosure of the financial statements of Middle Harbour Yacht Club Limited.

(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 Club has decided against early adoption of these standards. The following table summarises those future requirements, and their impact on the Club:

Standard name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2009-11 / AASB 2010-7	30 April 2014	- Changes to the classification and measurement requirements for financial assets and financial liabilities. - New rules relating to derecognition of financial instruments.	The impact of this standard is expected to be minimal.
AASB 10 Consolidated Financial Statements / AASB 11 Joint Arrangements / AASB 12 Disclosures of Interests in Other Entities, AASB 127 Separate Financial Statements and AASB 128 Investments in Associates.	30 April 2014	AASB 10 includes a new definition of control, which is used to determine which entities are consolidated, and describes consolidation procedures. The Standard provides additional guidance to assist in the determination of control where this is difficult to assess. AASB 11 focuses on the rights and obligations of a joint venture arrangement, rather than its legal form (as is currently the case). IFRS 11 requires equity accounting for joint ventures, eliminating proportionate consolidation as an accounting choice. AASB 12 includes disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.	The Club will review its controlled entities to determine whether they should be consolidated under AASB 10, no changes are anticipated. All joint ventures of the group are equity accounted and therefore minimal impact is expected due to the adoption of AASB 11. Additional disclosures will be required under AASB 12 but there will be no changes to reported position and performance.

Note 1 Summary of Significant Accounting Policies (Cont'd)

(n) New accounting standards for application in future periods (Cont'd)

Standard name	Effective date for entity	Requirements	Impact
AASB 13 Fair Value Measurement [expected to be released by AASB in July / August 2011]. AASB 2011-8 - Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	30 April 2014	AASB 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Accounting Standards but does not change when fair value is required or permitted. There are a number of additional disclosure requirements.	Fair value estimates currently made by the entity will be revised and potential changes to reported values may be required. Some additional disclosures will be needed.
AASB 2011-7 – Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	30 April 2014	This standard provides many consequential changes due to the release of the new consolidation and joint venture standards.	The impact of this standard is expected to be minimal.
AASB 2011-9 - Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income.	30 April 2013	Entities will be required to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).	The items shown in other comprehensive income will be separated into two categories.

Notes to the Financial Statements
For the Year Ended 30 April 2013

	2013 $	2012 $
Note 2 Revenue and Other Income		
Revenue from continuing operations		
- Rendering of services	**1,053,008**	960,969
- Marina Rentals	**934,357**	925,312
- Mooring Rentals	**166,208**	155,578
- Bar and Catering - MHYC	**1,058,595**	1,050,144
- Bar and Catering - COMPASS Group	**-**	(120,323)
- Other miscellaneous sales revenue	**24,786**	22,370
- Interest income	**22,235**	41,122
- Commercial Rental Income	**66,182**	69,622
- Other revenue	**53,597**	15,395
	3,378,968	3,120,189
Other Income breakup		
Federal, state and local government sports grants	**25,745**	85,041
Note 3 Result for the Year		
The result for the year includes the following specific expenses		
Cost of sales		
- Cost of sales - bar and catering	**851,586**	856,913
- Cost of sales - other	**5,523**	8,870
	857,109	865,783
Depreciation and amortisation expense		
- Depreciation	**510,650**	477,517
Finance costs:		
- Debenture interest expense	**307,784**	282,609

Notes to the Financial Statements
For the Year Ended 30 April 2013

		2013 $	2012 $
Note 4 Auditors' Remuneration			
Remuneration of the auditor Lawler Partners, for:			
- auditing the financial statements		**24,500**	24,500
Note 5 Cash and Cash Equivalents			
Cash on hand		**6,500**	6,500
Cash at bank		**2,285,451**	800,627
		2,291,951	807,127
Note 6 Trade and Other Receivables			
CURRENT			
Trade receivables		**93,763**	41,147
Provision for impairment of receivables	(a)	**-**	(1,087)
Other receivables		**30,685**	25,455
		124,448	65,515

(a) Provision for impairment of receivables

Movement in provision for impairment of receivables is as follows:

	2013 $	2012 $
Balance at beginning of the year	**(1,087)**	(23,587)
Provision used	**1,087**	22,500
Balance at end of the year	**-**	(1,087)

(b) Collateral held as security

The Club does not hold any collateral over any receivables balances.

Note 7 Inventories

	2013 $	2012 $
CURRENT		
At cost:		
Merchandise stock	**7,889**	4,877
Bar stock	**44,862**	38,074
	52,751	42,951

Notes to the Financial Statements
For the Year Ended 30 April 2013

	2013	2012
	$	$

Note 8 Property, Plant and Equipment

	2013	2012
	$	$
Marina and Moorings		
At fair value	**6,682,963**	5,734,078
Less: accumulated depreciation	**(903)**	(717,164)
	6,682,060	5,016,914
Leasehold premises		
At fair value	**781,988**	1,069,820
Less: accumulated depreciation	**(102)**	(334,719)
	781,886	735,101
Plant and equipment		
At cost	**889,151**	870,245
Less: accumulated depreciation	**(500,010)**	(401,948)
	389,141	468,297
Clubhouse development		
At fair value	**774,460**	1,058,819
Less: accumulated depreciation	**-**	(326,927)
	774,460	731,892
Property improvements		
At fair value	**16,034**	152,601
Less: accumulated depreciation	**(9)**	(126,852)
	16,025	25,749
Capital Works in Progress		
At cost	**119,999**	87,233
Total property, plant and equipment	**8,763,571**	7,065,186

Note 8 Property, Plant and Equipment (Cont'd)

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:

	Capital Works in Progress	Leasehold premises	Marina and Moorings	Plant and Equipment	Clubhouse development	Property Improvements	Total
	$	$	$	$	$	$	$
2013							
Balance at the beginning of year	**87,233**	**735,101**	**5,016,914**	**468,297**	**731,892**	**25,749**	**7,065,186**
Additions	**32,766**	**-**	**-**	**23,148**	**82,772**	**-**	**138,686**
Depreciation	**-**	**(42,923)**	**(242,904)**	**(101,634)**	**(108,162)**	**(15,027)**	**(510,650)**
Disposals - written down value	**-**	**-**	**-**	**(670)**	**-**	**-**	**(670)**
Revaluation increase recognised in equity	**-**	**89,708**	**1,908,050**	**-**	**67,958**	**5,303**	**2,071,019**
Balance at 30 April 2013	**119,999**	**781,886**	**6,682,060**	**389,141**	**774,460**	**16,025**	**8,763,571**
2012							
Balance at the beginning of year	51,612	777,894	5,241,902	525,706	654,631	41,009	7,292,754
Additions	35,621	-	11,307	32,594	170,427	-	249,949
Depreciation	-	(42,793)	(236,295)	(90,003)	(93,166)	(15,260)	(477,517)
Balance at 30 April 2012	87,233	735,101	5,016,914	468,297	731,892	25,749	7,065,186

On 23/01/2013, the leasehold premises, marina and moorings, clubhouse development and property improvements held by the Club were valued by LandMark White valuers. The fair value of the assets listed above is based on their fair value less cost to sell, in an active market, was determined to be $10,000,000. The independent valuation is dependent upon a change in allowed use of the leased land to "commercial marina". As this change has not occured, the directors resolved to adopt $7,692,500 for marina and rigging deck, leasehold premises, clubhouse and property developments, which is 85% of the fair value determined by LandMark White. The directors adopted $562,963 for moorings, taking into account expected changes to the size of the Club's mooring farm.

The total fair value adopted by the directors is $8,255,463 in this financial year. The fair value of these assets increased by $2,071,019.

An amount of $2,071,019 was credited directly to the revaluation surplus to recognise the fair value increments in the current financial year.

Notes to the Financial Statements
For the Year Ended 30 April 2013

Note 9 Trade and Other Payables

	2013 $	2012 $
CURRENT		
Unsecured liabilities		
Trade payables	**239,349**	373,643
Sundry payables and accrued expenses	**144,717**	178,758
	384,066	552,401

Note 10 Borrowings

	2013 $	2012 $
CURRENT		
Unsecured liabilities:		
Other loans	**38,484**	38,484
Secured liabilities:		
Debentures	**250,000**	50,000
	288,484	88,484
NON-CURRENT		
Unsecured liabilities:		
Other loans	**202,043**	240,527
Secured liabilities:		
Debentures	**5,122,500**	3,569,500
	5,324,543	3,810,027

Collateral Provided

Debentures are secured by a first mortgage over the assets of the Club. The carrying amounts of non-current assets pledged as security are:

	2013 $	2012 $
- marina and moorings	**6,682,060**	5,016,914
- leasehold premises	**781,886**	735,101
- other property, plant and equipment	**1,299,625**	1,313,171
	8,763,571	7,065,186

	2013	2012
	$	$

Note 10 Borrowings (Cont'd)

Debenture schedule

The maturity profile of debentures on issue is as follows:

Maturity Dates	Interest Rates (%)	2013 $	2012 $
21 May 2012	6.5	**-**	50,000
13 March 2014	8.5	**-**	400,000
15 March 2014	6.5	**250,000**	3,169,500
30 June 2015	9.5	**350,000**	-
15 March 2016	6.5	**50,000**	-
31 December 2016	7.5	**200,000**	-
15 March 2017	6.9	**1,067,500**	-
15 March 2018	7.1	**2,825,000**	-
15 March 2019	7.1	**630,000**	-
		5,372,500	3,619,500

Note 11 Other Financial Liabilities

	2013	2012
CURRENT		
Other creditors and accruals	**80,748**	80,748
Frank Likely Trust	**64,912**	64,912
	145,660	145,660
NON-CURRENT		
Other creditors and accruals	**47,103**	127,850

Note 12 Provisions

	2013	2012
CURRENT		
Employee entitlements	**61,370**	47,438
NON-CURRENT		
Employee entitlements	**24,520**	14,937

Notes to the Financial Statements
For the Year Ended 30 April 2013

	2013	2012
	$	$

Note 12 Provisions (Cont'd)

Movement in carrying amounts

	Annual leave	Long service leave	Total
	$	$	$
Current			
Opening balance at 1 May 2012	**47,438**	**14,937**	**62,375**
Additional provisions	**46,986**	**9,583**	**56,569**
Utilised during the period	**(33,054)**	**-**	**(33,054)**
Balance at 30 April 2013	**61,370**	**24,520**	**85,890**

Note 13 Other Liabilities

	2013	2012
CURRENT		
POS liability	**32,821**	50,619
Customer deposits	**92,337**	67,437
Prepaid berths guarantee fees	**243,135**	214,458
	368,293	332,514
NON-CURRENT		
Prepaid berths guarantee fees	**639,898**	763,348

Note 14 Reserves

	2013	2012
Asset revaluation reserve		
Opening balance	**3,182,217**	3,182,217
Fair value increment	**2,071,019**	-
	5,253,236	3,182,217

The asset revaluation reserve includes the net revaluation increments and decrements arising from the revaluation of non current assets as mentioned in Note 1(f).

Notes to the Financial Statements
For the Year Ended 30 April 2013

Note 15 Capital and Leasing Commitments

	2013 $	2012 $
(a) Commitments to NSW Maritime		
Payable - minimum lease payments:		
- no later than 1 year	**153,831**	153,831
- between 1 year and 5 years	**615,322**	615,322
- greater than 5 years	**2,461,288**	2,615,119
	3,230,441	3,384,272

The Club and NSW Maritime signed a 25 year head lease on 14 August 2009, which is considered an operating lease commitment. Some 22 years of the lease remains at balance date.

(b) Other operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

	2013 $	2012 $
Payable - minimum lease payments:		
- no later than 1 year	**17,890**	2,982
- between 1 year and 5 years	**68,576**	86,466
	86,466	89,448

Operating leases have been taken out for a printing system. Lease payments are increased on an annual basis to reflect market rentals.

(c) Capital expenditure commitments

	2013 $	2012 $
Capital expenditure commitments contracted for:		
Marina extension	**1,844,155**	-

Note 16 Financial Risk Management

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

The Club's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and debentures.

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:

	2013 $	2012 $
Financial Assets		
Cash and cash equivalents	**2,291,951**	807,127
Trade and other receivables	**124,448**	65,515
Total financial assets	**2,416,399**	872,642
Financial Liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	**384,066**	552,401
- Borrowings	**5,613,027**	3,898,511
- Other financial liabilities	**192,763**	273,510
Total financial liabilities	**6,189,856**	4,724,422

Financial risk management policies

The Board of Directors has overall responsibility for the establishment of the Club's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Club's activities.

The day-to-day risk management is carried out by the Club's finance function under policies and objectives which have been approved by the Board of Directors.

Mitigation strategies for specific risks faced are described below:

(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 the Club and arises principally from the Club's receivables.

The Club 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 6.

	2013	2012
	$	$

Note 16 Financial Risk Management (Cont'd)

(b) Liquidity risk

Liquidity risk arises from the possibility that the Club might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Club 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;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The Club rolled over $3,157,000 of debentures for terms of 4, 5 and 6 years on 15 March 2013, leaving $250,000 to be repaid by 15 March 2014.

Typically, the Club ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. Financial guarantee liabilities are treated as payable on demand since the Club 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 consolidated statement of financial position due to the effect of discounting.

Financial liability maturity analysis - Non-derivative

	Weighted Average Effective Interest Rate		Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	%	%	$	$	$	$	$	$	$	$
Financial liabilities due for payment										
Trade and other payables	**-**	-	**384,066**	552,401	**-**	-	**-**	-	**384,066**	552,401
Debentures	**7.18**	6.72	**250,000**	75,000	**4,492,500**	3,544,500	**630,000**	-	**5,372,500**	3,619,500
Other loans	**-**	-	**38,484**	38,484	**153,938**	192,420	**48,105**	48,105	**240,527**	279,009
Other creditor	**-**	-	**80,748**	80,748	**47,103**	127,850	**-**	-	**127,851**	208,598
Frank likely trust	**-**	-	**64,912**	64,912	**-**	-	**-**	-	**64,912**	64,912
Total contractual outflows	**7.18**	6.72	**818,210**	811,545	**4,693,541**	3,864,770	**678,105**	48,105	**6,189,856**	4,724,420

	2013	2012
	$	$

Note 16 Financial Risk Management (Cont'd)

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.

All Debentures have fixed interest rates and are thus not exposed to market risk.

It is policy of the Club to keep debentures on fixed interest rates.

Note 17 Contingent Liabilities and Contingent Assets

Contingent Liabilities

The Club had the following security deposits held with Westpac:

- $20,000 respect to their Maritime Service account;

- $15,000 as security to Mosman Council.

Note 18 Interests of Key Management Personnel

The totals of remuneration paid to key management personnel of the company and the Club during the year are as follows:

	2013	2012
Short-term employee benefits	**184,543**	177,684
Long-term benefits	**15,076**	14,424
	199,619	192,108

Other key management personnel transactions

For details of other transactions with key management personnel, refer to Note 19: Related Party Transactions.

	2013	2012
	$	$

Note 19 Related Party Transactions

The Club's main related parties are as follows:

(a) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note Note 18: Key Management Personnel Compensation.

(b) Other related parties

Other related parties include immediate family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel, individually or collectively with their immediate family members.

A Director, Mr G Young, has provided his motor vessel to the Club for race management duties during the financial year and in return the Club has waived his marina fees. The Board has been provided with an analysis of the arm's length cost of chartering a similar vessel suitable for race management and has determined that the cost of doing so materially exceeds the marina fees foregone.

(c) Transactions with related parties

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

The following transactions occurred with related parties:

(i) Revenue from services

	2013 $	2012 $
Revenue from amortisation of 10 year licence fees and annual maintenance fees from Directors/Directors related entities	**30,470**	36,417
Prepaid berths guarantee fees balance of 10 year licence fees received from Directors/Directors related entities	**118,952**	90,810
Revenue from monthly mooring fees from Directors/Directors related entities	**4,493**	13,255
	153,915	140,482

(ii) Debentures

	2013 $	2012 $
Debentures issued to Directors/Directors related entities	**390,000**	195,000
Debentures interest paid/payable to Directors/Directors related entities	**9,341**	13,690

Notes to the Financial Statements
For the Year Ended 30 April 2013

Note 20 Controlled Entities

	Country of Incorporation	Percentage Owned (%)* 2013	Percentage Owned (%)* 2012
Parent Entity:			
Middle Harbour Yacht Club Limited	Australia	**100**	100
Subsidiaries:			
MHYC Holdings Pty Limited	Australia	**100**	100
MHYC Marina Management Pty Limited	Australia	**100**	100

* Percentage of voting power is in proportion to ownership

Note 21 Parent entity

The following information has been extracted from the books and records of the parent, Middle Harbour Yacht Club Limited and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Middle Harbour Yacht Club Limited has been prepared on the same basis as the consolidated financial statements except as disclosed below.

Consolidated Statement of Financial Position		
Assets		
Current assets	**2,469,150**	915,593
Non-current assets	**8,763,571**	7,065,186
Total Assets	**11,232,721**	7,980,779
Liabilities		
Current liabilities	**1,247,873**	1,166,497
Non-current liabilities	**6,036,064**	4,716,162
Total Liabilities	**7,283,937**	5,882,659
Equity		
Accumulated losses	**(1,304,452)**	(1,084,097)
Asset realisation reserve	**5,253,236**	3,182,217
Total Equity	**3,948,784**	2,098,120
Consolidated Statement of Comprehensive Income		
Total profit or loss for the year	**(220,355)**	(293,442)
Total comprehensive income	**(220,355)**	(293,442)

Notes to the Financial Statements
For the Year Ended 30 April 2013

Note 22 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

	2013 $	2012 $
Reconciliation of net income to net cash provided by operating activities:		
Loss for the year	**(220,355)**	(293,442)
Non-cash flows in profit:		
- depreciation	**510,650**	477,517
- Upfront receipt of Input tax credits on supplier loan	**-**	26,316
- net loss on disposal of property, plant and equipment	**670**	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**(58,933)**	19,156
- (increase)/decrease in inventories	**(9,800)**	(30,742)
- increase/(decrease) in trade and other payables	**(168,335)**	(66,269)
- increase/(decrease) in other liabilities	**(168,418)**	(29,860)
- increase/(decrease) in provisions	**23,515**	(21,053)
Cashflow from operations	**(91,006)**	81,623

Note 23 Events after the end of the Reporting Period

The financial report was authorised for issue on 13 June 2013 by the board of directors.

In May 2013, the Club issued further debentures of $250,000.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Club, the results of those operations or the state of affairs of the Club in future financial years.

Note 24 Company Details

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

Middle Harbour Yacht Club Limited
Lower Parrawi Road
The Spit
Mosman NSW 2088

Middle Harbour Yacht Club Limited
ABN: 95 000 248 877

Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 7 to 33, 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 April 2013 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 .... N Smyth

Director .... N Padden

Dated 13 June 2013

lawler partners chartered accountants

Middle Harbour Yacht Club Limited
ABN: 95 000 248 877

Independent Audit Report to the members of Middle Harbour Yacht Club Limited

Report on the Financial Report

We have audited the accompanying financial report of Middle Harbour Yacht Club Limited, which comprises the consolidated statement of financial position as at 30 April 2013, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated 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 of the company and the consolidated entity.

Directors'' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and 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 company'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 company's internal control. 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.

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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Middle Harbour Yacht Club Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Middle Harbour Yacht Club Limited
ABN: 95 000 248 877

Independent Audit Report to the members of Middle Harbour Yacht Club Limited

Opinion

In our opinion the financial report of Middle Harbour Yacht Club Limited is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the company's and the consolidated entity's financial position as at 30 April 2013 and of their performance for the year ended on that date; and

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

Lawler Partners

LAWLER PARTNERS
Chartered Accountants

S Tobutt

SCOTT TOBUTT
Partner

Sydney

Dated this 13th day of June 2013