

KURING-GAI MOTOR YACHT CLUB

A Company Limited by Guarantee

ANNUAL REPORT 2018 – 2019



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KURING-GAI MOTOR YACHT CLUB

A Company Limited by Guarantee
ABN 857 000 262 290

MINUTES OF THE 73RD ANNUAL GENERAL MEETING KURING-GAI MOTOR YACHT CLUB HELD IN THE CLUBHOUSE, COTTAGE POINT THURSDAY 21ST JUNE 2018

Commodore John Spry, occupying the chair, welcomed all to the meeting, which he declared open at 7.30pm.

ATTENDANCE

There were 34 members in attendance.

1. APOLOGIES

17 Apologies were received and read out by Commodore John Spry. The list is attached.

2. MINUTES

Minutes of the 72nd Annual General Meeting Wednesday 21st June 2017 having been circulated were taken as read and confirmed as being a true and accurate record by the meeting.

Moved and seconded, Paul Purnell and Jim Murphy. Motion carried.

3. BUSINESS ARISING

Paul Purnell asked about the cottage renovations. Commodore John Spry advised that Rear Commodore Cathy Astridge will talk on this later in the meeting.

4. PROXIES

4 Proxies were received and read out by Secretary, Georgia Wilson. See attached.

5. TO RECEIVE AND ADOPT THE REPORT OF THE DIRECTORS FOR 2017-2018 AND THE COMMODORE'S REPORT

Commodore John Spry summarised his Commodore's report as previously circulated.

Commodore Spry spoke on how the Committee had been looking at economies during the past year, there was also an emphasis on social activities. The Social Group works hand in hand with the General Committee and the fact that we've had good turnouts at the events over this past year was gratifying and great to see the participants responding well – all this goes towards building the camaraderie within the Club, which is the glue that holds the Club together. As KMYC is a small Club, members get to meet lots of other members.

Commodore Spry went on to talk about the cottage renovation and that it's still in its first year of holiday rental. Many Club members are using it along with members of the public and we are getting more bookings for the Clubhouse to be used in conjunction with cottage accommodation. Bookings for the cottage are on a steady increase.

Commodore Spry spoke on the Club's location within the National Park and that while this may limit the Club in some ways, it also allows us to focus on what we want in the Club. Membership is on the rise and we have almost 100% occupancy of our moorings – the very short wait time for a mooring is appealing to prospective members.

Commodore Spry then ended by quoting from his Commodore's Report "Times may change, but family values and friendships made are the backbone of society. I believe that this is the essence and the

strength of the KMYC". He further added that it's been an honour, privilege and joy to serve on the Committee, although he feels serve is the wrong word as it wasn't a service but an actual privilege, and he's got a lot out of being on the Committee and he's very happy with the new Committee and knows they'll do a great job going forward.

Commodore Spry then asked if there were any questions and asked Rear Commodore Cathy Astridge to talk on the Cottage. Cathy advised that the first rental of the cottage was in July 2017 and in April 2018 the Cottage was booked solidly. She also mentioned that we were getting a number of repeat bookings which is great, and that our managing agent gets people in last minute for 1-2 nights. So while the first year has been slow, bookings are on the rise.

Accepted by Bob Allen and Peter Burmeister.

Motion carried.

6. TO RECEIVE AND ADOPT THE DIRECTORS REPORT AND ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018

The Directors Report and Accounts for the year having been previously circulated were taken as read. Commodore John Spry handed over to Honorary Treasurer, Peter McLean.

Peter McLean spoke on the accounts. We made a \$98k profit for the year which was \$78k more than budgeted. He mentioned that increased fuel sales contributed a \$20k return and that members were buying more diesel. There was an additional \$6k in Clubhouse hire and \$4k in membership fees. There was a savings in salaries as the additional staff member started later in the year than was budgeted for, along with savings in rubbish collection due to renegotiated contracts and council rates. Peter mentioned that in each budget we have planned projects which sometimes don't get done and these then get moved to the next year.

We have cash in the bank of \$305k which is a buoyant amount for the Club to cover unexpected circumstances. For the 2018/19 accounts there is a budgeted profit of \$21k which is due to the repair of the Kiosk decking of \$35k along with some other planned projects.

Peter advised that he'd received some questions to the accounts which he would now address

Note 13 to the accounts shows that the cashflow from operating activities had dropped by \$100k over the year. This was mainly due to 2 items; One creditor, The Office of Environment and Heritage had paid \$48k 1 day early ie 31 March 2018 instead of 1 April 2019 and conversely they had never billed us \$28k for the previous year, so these 2 items affected our cash balance by \$76k.

Accounts receivable also increased because of the \$48k 1 day early payment.

Peter then mentioned some of the projects budgeted for the coming year:

Kiosk decking \$35k

Caretakers cottage kitchen renovations \$13k

New gazebo

Clubhouse office renovations

Hopefully by the end of the year we will have a cash balance of around \$300k, so what we earn during the year we will spend.

Member Paul Purnell then mentioned that the upgrade to the Cottage had been delivered out of current operating profit which was a massive achievement, and asked if Peter would like to comment on that.

Peter advised that the Cottage had been budgeted for as capital expenditure, but that a lot of that work would have had to be done anyway as the Cottage was in a state of disrepair. We had sufficient cash reserves to cover the cost. \$40k of the work was undertaken the previous financial year then \$90k during 2017/18. Previous rent was \$23k and this year we've received \$19k with rentals on the increase. Time

will tell as to whether it will work in the long run as a holiday let, and if not then we'll revert back to residential long let and we'll be able to get a lot higher rent than previously due to the renovations. Club members had asked how the Club could generate more income and this is one of the ways.

The accounts were accepted by Paul Purnell and Bob Allen.

Motion carried.

7. TO ELECT FLAG AND EXECUTIVE OFFICERS FOR THE YEAR ENDED 31ST MARCH 2018

The following nominations have been received in accordance with the KMYC Constitution:

COMMODORE	Jim Lendrum
VICE COMMODORE	Cathy Astridge
REAR COMMODORE	Chris Jensen
HONORARY TREASURER	Peter McLean

Commodore Spry mentioned that Flag Officers did 2 year terms before moving on, he had come to the end of his 2 year term as Commodore and would now be joining the ranks of Past Commodores. All positions being unopposed, Commodore Spry declared all positions filled and congratulated the incoming Executive Officers. He then presented the Flag Officers with their epaulettes and burgees.

Jim Lendrum takes his role as Commodore & takes over as the chairman of the AGM. Jim introduced himself to the members saying he'd been a member since 2005 and on the Committee for 5 years. He mentioned that the Committee has been great and they're all so passionate about the Club which is fantastic. Commodore Jim Lendrum thanked John Spry and said it had been a pleasure working with him. He further advised that John would stay on the Board for a further 1 year term as Immediate Past Commodore, he then presented John with his Past Commodore epaulettes and burgee.

8. TO ELECT COMMITTEE MEMBERS FOR THE YEAR ENDED 31ST MARCH 2018

Commodore Lendrum read out the five nominations, and as all were unopposed declared the committee positions filled by the following five members:

HADLEY, Doug	PURNELL, Paul	QUICK, Bruce
SEXTON, Garry	SOMMER, Glenn	

Commodore Lendrum congratulated the committee members, mentioning that Doug Hadley was away on business so could not attend the AGM. Commodore Lendrum then thanked Rob and Bill who are stepping down after 5 years on the Committee, saying that they had been fantastic on the Board and were big contributors to the Club.

Rob and Bill leave the Committee table and Commodore Lendrum invited Paul Purnell and Glenn Sommer to join the Committee table.

9. GENERAL BUSINESS

a) Approval of the Capital & Maintenance Levy

Treasurer Peter McLean speaking on the increase in the Capital & Maintenance Levy and that this would go towards the cost of resurfacing and fixing up the overflow carpark. The reason the carpark needs to be done is because it's washing down the hill and we have to retain it. The Committee are working toward building something that can potentially be built upon at a later stage (perhaps a 2 storey building).

A question was raised as to whether the new carpark would provide any benefit to the Club and its members or was there any rental opportunity. Treasurer McLean advised that as there would only be 12

car spaces there is not much benefit in trying to get any revenue. The Committee feel the best option might be to offer it to members' guests to use.

Another question raised was what works had been done in order to estimate costs. Treasurer McLean advised some engineering work has been done and the estimate is \$200k. The Club would use \$100k out of operating income and then get a bank loan for the \$100k balance.

The increase in the Capital & Maintenance Levy, which is the first increase in 4 years, is to pay down that loan over 5 years.

All in favour of approving the Capital & Maintenance levy?

The Vote was conducted by a show of hands. All in favour – YES.

Any opposed - NO

b) Proxies

The proxies were moved to be destroyed.

c) Other General Business

Member Mischa Simmonds mentioned the dinghy rack and that a lot of the dinghies don't appear to be used. Is there any option of the Club purchasing half a dozen dinghies and then renting them out, then the Club could use the dinghy space for other things?

Treasurer McLean advising that the Club also allowed members to store their kayaks in the dinghy rack and further advised that we do have 1 dinghy up on davits at the waterfront which is available for longer use by members, so the Committee feel there's not much need for further purchasing of dinghies. Commodore Lendrum advised that the Committee would discuss this more at the next Committee meeting. Rear Commodore Jensen further advised that there was no waiting list for a dinghy spot.

Member Bob Allen asked whether it would be a bitumen or sealed carpark surface? Would there be a boom gate, and if so how would we control it? Also with the proximity to the neighbours, how would the Club prevent local members from using it as their overflow carpark? Treasurer McLean advised that it would be some sort of sealed surface but as for the rest the Committee haven't thought that far down the line yet. Member Mischa Simmonds suggested a date scratch card for the car windscreens. Vice Commodore further added that any improvement of the overflow carpark would be better than what we have currently.

Member Bob Allen mentioned that John's calm leadership over the past 2 years has brought the Club back to a friendly place after past tensions in the previous Committee.

There being no further business the Commodore Lendrum declared the meeting closed at 8:15pm.

CHAIRMAN: 

DATED: 13/5/19

KURING-GAI MOTOR YACHT CLUB LIMITED

ABN: 87 000 262 920

REPORT OF THE BOARD OF DIRECTORS

The 2019 Annual Report of the Kuring-gai Motor Yacht Club Limited together with the Directors' Report and Accounts is submitted on behalf of the Board of Directors.

A copy of the Income Statement and Balance Sheet as at 31st March 2019, the end of the Club's financial year, is forwarded with the report.

- (i) The amount of depreciation during the year amounted to \$93,062
- (ii) The profit before income tax for the year is \$33,110 (Year 2018: profit \$98,432). The profit after income tax is \$33,110 (Year 2018: profit \$98,432).
- (iii) The number of members of each class in the Register of Members as at 31st March 2019 is:

	<u>2019</u>	<u>2018</u>
Honorary Life Members	3	2
Members	138	142
Past Boat Owners	29	29
Remote Members	36	30
Crew Members	9	8
Family Crew Members	26	26
Social Members	17	18
Marine Rescue Members	7	7
	-----	-----
	265	262
	-----	-----

- (iv) BOARD OF DIRECTORS (Officers & General Committee) at 31st March 2019

COMMODORE	Jim Lendrum
VICE COMMODORE	Cathy Astridge
REAR COMMODORE	Chris Jensen
HONORARY TREASURER	Peter McLean
IMMEDIATE PAST COMMODORE	John Spry
COMMITTEE MEMBERS	Garry Sexton
	Bruce Quick
	Doug Hadley
	Paul Purnell
	Glen Sommer

Article 53(c)

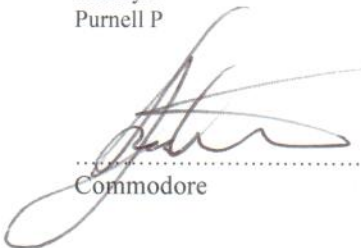
All requirements complied with.

Meetings

Since the end of the financial year 2018, the Board of Directors have conducted 11 General Committee Meetings .

Attendances were as follows:

Harrington-Johnson R	3	Jensen C	10
Quick B	10	Lendrum J	11
Sexton G	10	Astridge C	11
McLean P	7	Carmody B	2
Hadley D	8	Sommer G	8
Purnell P	7		


Commodore

KURING-GAI MOTOR YACHT CLUB LIMITED

ABN: 87 000 262 920

COMMODORE'S REPORT

Main focus

Over the past year the committee has focused on the Club Facilities and the needs of the Club members, whilst working to a budget and not increasing fees.

The Club's financials will be discussed in the Treasurer's report.

The Clubs new 'Deed of Licence' with the NSW National Parks and Wildlife Service (NPWS) is overdue. This is a ten-year renewal and was due at the end of March this year. We have been chasing this for many months now. No new Plan of Management has been completed and therefore, no new lease has been drawn up. We have requested an extension and have this until 30th June 2019. At the time of writing this report, we have received no replies to our requests and I am currently seeking advice from the Hon. Rob Stokes MP.

Budget

The committee has managed its budget carefully over the past year. Allowances were made for increased costs in budgeted items and unexpected costs that arose. Membership has increased over the year. Mooring occupancy is down, however we have been able to short-term rent those moorings out at increased revenue. The cash situation is very good for the next year, with a priority on the overflow carpark.

We would have liked to be further down the track than we are with the overflow carpark. We have sought funding from the Government (\$230,000 from funding and \$150,000 from KMYC) which would have seen the overflow carpark in a position of being able to be expanded and built on in the future. At the time of writing this report, we have not been able to secure that funding. We will still pursue this avenue however, in the meantime, we are redesigning and working on the carpark within the KMYC budget so that it will be safe and usable.

Some undertakings taken by the Club

We have contracted an outside source, Commercial Safety Assurance (CSA) to update our procedures and comply with Work Cover. To comply, we have had to do a variety of things. These include: new painted lines, signs, safety procedures, additional disabled parking spot, new cabling, evacuation diagrams, checklists and many more.

Major work has been carried out on the kiosk's deck. This included several new pylons, new deck and retaining wall. Also, the council replaced the outlet for road runoff water and replaced the steps. This has made a huge difference to the aesthetics and usage of the kiosk.

A new gazebo has been erected. The old one had a rotten floor and deteriorating supports. This has been a great feature for the club.

The clubhouse has had a facelift. The external walls have been painted and replaced where needed. Inside, some walls have been replaced, a new ceiling added and new carpet laid. I'd like to acknowledge that much of this work was carried out by enthusiastic club members. Thanks to Director Glenn Sommer, for his organisational skills and to all those who helped. We are in the process of replacing the louvre windows with sliding doors in preparation for a new deck in the future.

The committee has been able to greatly reduce the insurance costs. Thank you to Director Paul Purnell who has forensically reviewed our policies and sought a new broker.

The bottom cottage, Coal and Candle, is continuing to increase in popularity. We had a change of management and the bookings are now with 'Beach Stays'. They have been more diligent in the promotion of the Cottage. Wedding bookings have also been able to be combined with the cottage, increasing both the cottage and clubhouse usage.

A new kayak rack has been erected. Due to its popularity, more spaces will be added.

Upcoming improvements to the Club

The overflow carpark as mentioned previously.

A new garbage area. This will be enclosed and will look better and comply with Workcover.

SMSO cottage to be updated.

Secretary office to be modified and improved.

New roof over the slipway winch.

As always, there are the day to day, week to week improvements.

Conclusion

The Kuring-Gai Motor Yacht Club is in a very healthy position. The committee is continually looking for improvements whilst staying within a budget and mindful of fees and future costs.

The Club's social functions are continuing to have greater numbers and support. The social group makes a huge difference and without their careful planning, time and effort, this would not have occurred.

A main focus of the Committee is to continue keeping KMYC the great Club that it is and having its members enjoy all the facilities it has to offer.

I would like to take this opportunity to thank all members of the Committee who work diligently and tirelessly to make this Club so unique. I greatly appreciate your support of me. In particular, thank you to our Honorary Treasurer Peter McLean, for his continued advice and management of the Club's finances.

Thank you to Keith Davison for his long-term employment and fulfilling his position as MSMO.

Thank you to Georgia Wilson, our Club Secretary for her accuracy, diligence and professionalism in her duties.

It has been a great pleasure and honour for me to have been on the Committee for the past 6 years. I hope that I will be able to continue to serve the Club.



.....
Jim Lendrum, Commodore

KURING-GAI MOTOR YACHT CLUB LIMITED

ABN: 87 000 262 920

DIRECTORS' REPORT

Your directors present their report on the club as a company for the financial year ended 31 March 2019.

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

Purnell P
Quick B
Mc Lean P

Harrington-Johnson R
Sexton G
Spry J

Carmody W
Lendrum J
Jensen C

Hadley D
Astridge C
Sommer G

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

2. The profit of the club for the financial year amounted to \$33,110
3. A review of the operations of the club during the financial year and the results of those operations are as follows:
- The principal activities of the club in the course of the financial year consisted of the provision of boating and clubhouse facilities for members.
 - There were no significant change in the nature of those activities during the year.
4. No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the club, the results of those operations, or the state of affairs of the club in future financial years.
5. The club's operations are subject to Compliance with the requirements of the National Parks and Wildlife Act, 1974 and any Regulations and By-Law, the Environmental Protection Authority's (EPA) Environment Best Management Practice for Marinas and Slipways and relevant legislation.

The company's operations are consistently monitored to ensure compliance with relevant environmental laws and regulations. The company has established control procedures and guidelines to ensure compliance exists.

All relevant licences and approvals are held and the company has not been prosecuted for any environmental offence.


The company is committed to minimising any adverse environmental impact of its activities, while continuing to meet expectations of members for best services and providing a safe working environment for employees.

6. No dividends have been paid or declared since the start of the financial year.
7. No options over issued shares or interests in the club were granted during or since the end of the financial year and there were no options outstanding at the date of this report.
8. No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the club, with the exception of the following matters.

During the financial year the club paid a premium to insure any current, past or future directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving wilful breach of duty in relation to the club.

9. No person has applied for leave of Court to bring proceedings to which the club is a party for the purpose of taking responsibility on behalf of the club for all or any part of those proceedings.

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


.....
J Lendrum – Commodore
(Director)


.....
C Astridge – Vice Commodore
(Director)

Dated this13th.....day ofMay.....2019

KURING-GAI MOTOR YACHT CLUB LIMITED

ABN: 87 000 262 920

**INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 \$	2018 \$
Sales Revenue		1,174,580	1,119,749
Cost of Sales		228,475	225,655
		-----	-----
Gross Profit		946,105	894,094
		-----	-----
Administration & Finance Expense		250,434	228,374
Personnel Costs		265,871	239,672
Licences & Rates		108,332	107,477
Member Expense		28,960	28,556
Maintenance & Consumables		259,398	191,583
		-----	-----
Total Expenses		912,995	795,662
		-----	-----
Profit from ordinary activities before income tax		33,110	98,432
		-----	-----
Income Tax expense relating to ordinary activities	2	0	0
		-----	-----
Net Profit after income tax from ordinary activities		33,110	98,432
		-----	-----
Net Increase in Asset Revaluation Reserve		0	0
		-----	-----
Total change in Equity other than those resulting from transactions with owners as owners		33,110	98,432
		-----	-----

The accompanying notes form part of the financial statements

KURING-GAI MOTOR YACHT CLUB LIMITED

ABN: 87 000 262 920

**BALANCE SHEET
AS AT 31 MARCH 2019**

	Note	2019 \$	2018 \$
CURRENT ASSETS			
Cash	3	449,415	322,294
Receivables	4	96,952	137,442
Inventories	5	14,917	26,409
TOTAL CURRENT ASSETS		561,284	486,145
NON CURRENT ASSETS			
Property, Plant and Equipment	6	7,950,406	8,002,881
TOTAL NON CURRENT ASSETS		7,950,406	8,002,881
TOTAL ASSETS		8,511,690	8,489,026
CURRENT LIABILITIES			
Accounts Payable	7	41,297	71,243
Provisions	8	24,144	8,820
Other	9	42,904	38,728
TOTAL CURRENT LIABILITIES		108,345	118,791
TOTAL LIABILITIES		108,345	118,791
NET ASSETS		8,403,345	8,370,235
MEMBERS FUNDS			
Asset Revaluation Reserve	10	6,583,709	6,583,709
Retained Profits		1,819,636	1,786,526
TOTAL MEMBERS FUNDS		8,403,345	8,370,235

The accompanying notes form part of the financial statements

KURING-GAI MOTOR YACHT CLUB LIMITED

ABN: 87 000 262 920

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 \$	2018 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Customers		1,170,491	1,106,585
Payments to Suppliers and Employees		(1,010,053)	(992,341)
Interest Received		7,270	2,470
Interest Paid		0	(267)
		-----	-----
Cash Flow from Operating Activities	12	167,708	116,447
		-----	-----
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Fixed Assets		0	0
Payment for Fixed Assets		(40,587)	(140,310)
		-----	-----
Cash Flow from Investing Activities		(40,587)	(140,310)
		-----	-----
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		0	0
Repayment of Borrowings		0	(23,478)
		-----	-----
Cash Flow from Financing Activities		0	(23,478)
		-----	-----
Net increase/(decrease) in cash held		127,121	(47,341)
Cash at the beginning of the financial year		322,294	369,635
		-----	-----
Cash at the end of the financial year	12	449,415	322,294
		-----	-----

The accompanying notes form part of the financial statements

KURING-GAI MOTOR YACHT CLUB LIMITED

ABN: 87 000 262 920

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 \$	2018 \$
Balance at beginning of year		8,370,235	8,271,803
Profit attributable to members of parent equity		33,110	98,432
Income tax on items taken directly to equity	2	0	0
Revaluation of Land	10	0	0
Subtotal		<u>8,403,345</u>	<u>8,370,235</u>
Dividends paid for or provided for		0	0
Balance at end of year		<u>8,403,345</u>	<u>8,370,235</u>

The accompanying notes form part of the financial statements

KURING-GAI MOTOR YACHT CLUB LIMITED

ABN: 87 000 262 920

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general-purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets.

The Kuring-gai Motor Yacht Club Limited is a company limited by Guarantee, incorporated and domiciled in Australia. The financial report of the Kuring-gai Motor Yacht Club Limited complies with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety.

Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

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

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis, and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(a) Inventories

Inventories, comprising fuel, oil, ice, gas and other goods held for resale are stated at the lower of cost and net realisable value.

(b) Property, Plant & Equipment

Property, plant and equipment are carried at cost or at independent or directors' valuation, less where applicable, any accumulated depreciation or amortisation. The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on a straight line basis over their estimated useful lives to the company commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Profits and losses on disposal of property, plant and equipment are taken into account in determining the profit for the year.

The depreciation rates used for each class of assets are:

• Buildings	4%
• Boat shed equipment	5% - 10%
• Plant and equipment	5% - 20%
• Furniture and fittings	10% - 20%

KURING-GAI MOTOR YACHT CLUB LIMITED

ABN: 87 000 262 920

NOTES TO THE FINANCIAL STATEMENTS (cont'd) FOR THE YEAR ENDED 31 MARCH 2019

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The revaluations of freehold land and buildings have not taken account of the potential capital gains tax on assets acquired after the introduction of capital gains tax.

(c) Debtors

Receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate of doubtful debts is made when collections for the full amount is no longer probable. Bad debts are written off as incurred.

(d) Employee Entitlements

The provisions for employee entitlements to wages, salaries and annual leave represents the amount which the company has a present obligation to pay resulting from employee's services provided up to the balance date. The provisions have been calculated based on the amount expected to be paid when the liabilities are settled.

The liability for employees' entitlements to long services leave has been calculated at undiscounted amounts based on current wage and salary rates. The provision relates to amounts expected to be paid to employees for long services leave and is based on legal and contractual entitlements and assessments having regard to experience of staff departures and leave utilisation.

(e) Taxation

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(f) Revenue Recognition

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

Interest income is recognised as it accrues.

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

Rental income is recognised as it accrues.

KURING-GAI MOTOR YACHT CLUB LIMITED

ABN: 87 000 262 920

NOTES TO THE FINANCIAL STATEMENTS (cont'd) FOR THE YEAR ENDED 31 MARCH 2019

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Impairment of Assets

At each reporting date, the entity 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. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

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

(b) Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future of goods and services received, whether or not billed to the entity.

Provisions

Provisions are recognised when the entity 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.

Goods and services tax

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 the expenses. Receivables and payables in the balance sheet are shown inclusive of GST.

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

Comparative figures

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

Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report 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 group.

Key estimates – Impairment

The entity assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to the impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised for assets at 31st March 2019.

Key estimates – Doubtful debts provision

Amounts of accounts receivable were assessed. The directors believe that no provision for doubtful debts should be made at 31st March 2019. (\$0 – 31st March 2018)

KURING-GAI MOTOR YACHT CLUB LIMITED

ABN: 87 000 262 920

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

	2019 \$	2018 \$
2 <u>INCOME TAX EXPENSE</u>		
Prima facie tax payable on operating profit before Income tax at 27.5% (2018: 27.5%)	9,105	27,068
Adjustments for non-taxable items:		
- Non assessable income	(225,852)	(226,931)
- Non-deductible expenses	221,616	199,786
- Income tax benefit on loss carried forward	(4,869)	77
	-----	-----
INCOME TAX EXPENSE	0	0
	-----	-----
3 <u>CASH</u>		
National Parks- Guarantee Deposit	14,665	13,607
Bank – Term Deposits	204,716	101,185
Cash at Bank – Online Saver	152,736	152,344
Cash at Bank	76,498	54,358
Petty Cash Imprest Account	800	800
	-----	-----
	449,415	322,294
	-----	-----
4 <u>RECEIVABLES</u>		
Trade Debtors	79,147	82,328
Less: Provision for Doubtful Debt	0	0
	-----	-----
	79,147	82,328
GST Receivable	4,279	3,802
Other Debtors and Prepayments	13,526	51,312
	-----	-----
	96,952	137,442
	-----	-----
5 <u>INVENTORIES</u>		
Stock on Hand (at cost)	14,917	26,409
	-----	-----

KURING-GAI MOTOR YACHT CLUB LIMITED

ABN: 87 000 262 920

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

6 <u>PROPERTY, PLANT & EQUIPMENT</u>	2019 \$	2018 \$
Freehold Land – based on Directors valuation 2015	6,630,000	6,630,000
	-----	-----
Buildings at cost	1,688,829	1,677,875
Less: Accumulated Depreciation	738,844	694,479
	-----	-----
	949,985	983,396
	-----	-----
Boatshed Equipment at cost	105,540	112,953
Less: Accumulated Depreciation	104,901	107,351
	-----	-----
	639	5,602
	-----	-----
Plant & Equipment at cost	626,306	606,976
Less: Accumulated Depreciation	530,730	502,360
	-----	-----
	95,576	104,616
	-----	-----
Furniture & Fittings at cost	105,005	91,813
Less: Accumulated Depreciation	83,885	77,388
	-----	-----
	21,120	14,425
	-----	-----
Fuel Wharf & Pontoon at cost	296,287	296,287
Less: Accumulated depreciation	53,085	38,270
	-----	-----
	243,202	258,017
	-----	-----
Security Fobs	9,884	6,825
	-----	-----
TOTAL PROPERTY, PLANT & EQUIPMENT	7,950,406	8,002,881
	-----	-----

The directors valuation of freehold land in 2019 was carried out as at 31st March 2015 and was on the basis of the latest unimproved capital value of the land as advised by the Valuer General at that time. No adjustment was thought to be necessary for 2019.

The valuation was made in accordance with a regular policy of revaluing property.

KURING-GAI MOTOR YACHT CLUB LIMITED

ABN: 87 000 262 920

NOTES TO THE FINANCIAL STATEMENTS (cont'd) FOR THE YEAR ENDED 31 MARCH 2019

2019 2018
\$ \$

6 PROPERTY, PLANT & EQUIPMENT (cont'd)

(a) Movements in Carrying Amounts

	Freehold Land	Buildings	Boat Equip	Plant & Equip	Furniture & Fittings	Security Fobs	Fuel Wharf & Pontoon
Bal, at beginning of year	6,630,000	983,396	5,602	104,616	14,425	6,825	258,017
Additions	0	10,954	(5,948)	19,330	13,192	3,059	0
Depreciation Exp.	0	(44,365)	985	(28,370)	(6,497)	0	(14,815)
Revaluation	0	-	-	-	-	-	-
Carrying Amount at the end of the year	6,630,000	949,985	639	95,576	21,120	9,884	243,202

7 ACCOUNTS PAYABLE

Current

Other creditors and accruals 41,297 71,243

8 PROVISIONS

Current

Provision for Employees Entitlements 24,144 8,820

9 OTHER LIABILITIES

Current

PAYG Payable 3,947 3,695
Provision for Long Service Leave 14,706 12,882
Security Fob Deposits 24,251 22,151

42,904 38,728

10 ASSET REVALUATION RESERVE

Asset Revaluation Reserve 6,583,709 6,583,709

(a) Movements during the year:-

Asset Revaluation Reserve – Opening Balance 6,583,709 6,583,709
Revaluation increment on freehold land 0 0

6,583,709 6,583,709

	2019 \$	2018 \$
11 MEMBERS' GUARANTEE		
Members' Guarantee	4,120	4,060
<p>The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the company. As at 31 March 2019 the number of members was 203 (2018: 202)</p>		
12 NOTES TO STATEMENT OF CASH FLOWS		
(a)		
- Petty Cash	800	800
- Bank Overdraft / Cash on Hand	448,615	321,494
	449,415	322,294
(ii) <u>Reconciliation of Operating Profit after income</u>		
Tax to net cash provided by operating activities		
Operating Profit after income tax	33,110	98,432
<u>Add/Less: Non Cash items:</u>		
- Depreciation	93,062	95,185
- Loss on Sale of Plant and Equipment	0	0
- Provision for Annual Leave and Long Service Leave	17,148	(4,331)
Net cash provided by operating activities before change in assets and liabilities	143,320	189,286
<u>Change in Assets and Liabilities</u>		
(Increase)/decrease in Inventories	11,492	6,603
(Increase)/decrease in Receivables	40,490	(57,395)
Increase/(decrease) in Current Liabilities	(27,594)	(22,047)
	24,388	(72,839)
Net cash provided by operating activities	167,708	116,447

KURING-GAI MOTOR YACHT CLUB LIMITED

ABN: 87 000 262 920

NOTES TO THE FINANCIAL STATEMENTS (cont'd) FOR THE YEAR ENDED 31 MARCH 2019

13 FINANCIAL INSTRUMENTS

(a) Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable, loans and borrowings. The main purpose of non-derivative financial instruments is to raise finance for the operations of the Club. The Club does not have any derivative instruments at 31st March 2019.

(i) Treasury Risk Management

As part of the Board's regular meetings, material exposure to currency and interest rates are evaluated, in the context of recent economic conditions.

(ii) Financial Risks

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

Interest Rate Risk

For details on interest rate risk, refer to note (b).

Foreign Currency Risk

The Club is not exposed to fluctuations in foreign currency.

Liquidity Risk

The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

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, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements.

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

Price Risk

The Club is not exposed to any commodity price risk.

KURING-GAI MOTOR YACHT CLUB LIMITED

ABN: 87 000 262 920

NOTES TO THE FINANCIAL STATEMENTS (cont'd) FOR THE YEAR ENDED 31 MARCH 2019

(b) Interest Rate Risk

The company exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed interest rate maturing in 1 year or less		Fixed interest rate maturing between 1 & 2 yrs		non interest bearing	
	2019 %	2018 %	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$
Financial Assets										
- Cash at bank		1.00	76,498	54,358	-	-	-	-	-	-
- Cash on deposit		2.30	-	-	372,117	267,936	-	-	-	-
- Receivables	n/a	n/a	-	-	-	-	-	-	96,952	137,442
Total Financial Assets			76,498	54,358	372,117	267,936	-	-	96,952	137,442
Financial Liabilities										
- Accounts payable	n/a	n/a	-	-	-	-	-	-	41,297	71,243
- Provisions / Other	n/a	n/a	-	-	-	-	-	-	67,048	47,548
- Bank Loan		5.73	0	23,478	-	-	-	-	-	-
Total Financial Liabilities			0	23,478	-	-	-	-	108,345	118,791

(c) Net Fair Value

The net fair value of other assets approximates their carrying value. No financial assets are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the economic entity intends to hold these assets to maturity. The aggregate net fair value and carrying amounts to financial assets are disclosed in the balance sheet and in the notes to and forming part of the accounts.

KURING-GAI MOTOR YACHT CLUB LIMITED

ABN: 87 000 262 920

NOTES TO THE FINANCIAL STATEMENTS (cont'd) FOR THE YEAR ENDED 31 MARCH 2019

14 RELATED PARTY TRANSACTIONS

(a) Directors in Office

The names of the directors who have held office during the financial year are:

Purnell P	Harrington-Johnson R	Hadley D
Quick B	Sexton G	Lendrum J
Astridge C	Spry J	Carmody W
McLean P	Jensen C	Sommer G

(b) Directors Fees

During the year the following director fees / out of pocket expenses, including insurance premiums to indemnity liabilities while acting as a director were paid to directors:

2019	2018
\$ 0	\$ 0
-----	-----

(c) Related Parties transaction

All transactions entered into during the year with directors, including the provisions of moorings and the sale of goods and services, were on normal member terms and conditions.

15 FINANCIAL REPORTING BY SEGMENTS

The Club operates predominately in the provision of boating and clubhouse facilities in one geographical area being Cottage Point, NSW, Australia.

16 CONTINGENT LIABILITIES

(a) Assets Pledged as Security

Included in the balances of freehold land and buildings are assets over which first mortgages have been granted as security. The terms of the first mortgages preclude the assets being sold or being used as security for further mortgages without the permission of the first mortgage holder.

KURING-GAI MOTOR YACHT CLUB LIMITED

ABN: 87 000 262 920

DIRECTORS' DECLARATION

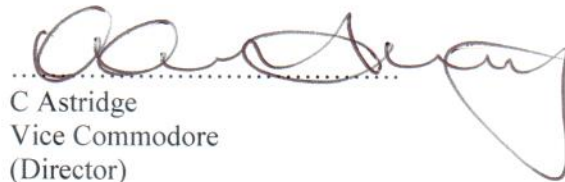
The directors of the company declare that:

1. The financial statements and notes, as set out in pages 12 to 27 present fairly the club's financial position as at 31st March 2019 and to the performance for the year ended on that date in accordance with Accounting Standards and other mandatory professional reporting requirements.
2. In the directors' opinion, there are reasonable grounds to believe that the club 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.



.....
J. Lendrum
Commodore
(Director)



.....
C Astridge
Vice Commodore
(Director)

Dated this 13th day of May 2019

KURING-GAI MOTOR YACHT CLUB LIMITED

ABN: 87 000 262 920

**DETAILED STATEMENT OF INCOME & EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 2019**

	2019	2018	2017
INCOME			
Total Sales Revenue	1,174,580	1,119,749	1,016,161
	-----	-----	-----
Sales of Fuel, Oil, Ice, Gas & Water	288,151	286,368	195,890
Less: Cost of Goods sold	228,475	(225,655)	(146,944)
	-----	-----	-----
Net Income from Sales of Fuel, Oil, Ice, Gas & Water	59,676	60,713	48,946
Members Subs and Entrance fees	148,920	138,971	133,236
Members Capital Levy	35,799	16,982	17,045
Mooring Revenue	422,446	430,493	437,515
Dinghy Storage	12,409	12,341	11,489
Slipway Rent	22,549	22,019	21,775
Boatshed, Shop and House Rents	166,183	149,029	143,946
Sundry Income	4,463	6,814	1,850
Interest Received	7,270	2,470	1,287
Tenant Reimbursement	66,390	54,262	52,128
	-----	-----	-----
GROSS PROFIT	946,105	894,094	869,217
	-----	-----	-----
LESS EXPENDITURE			
Administration & Finance -			
Audit and Accountancy fees	8,289	8,108	7,646
Bad Debts & Adjustments	3,709	0	582
Bank Charges & Card Fees	2,210	1,768	2,192
Computer & Website	11,614	18,919	4,316
Depreciation	93,062	95,185	94,676
General Expenses	2,904	1,395	1,712
Insurance	123,171	97,608	91,951
Interest	0	267	1,785
Legal expenses	0	0	1,550
Telephone	5,475	5,124	5,295
	-----	-----	-----
	250,434	228,374	211,705
	-----	-----	-----
Personnel Costs -			
Motor Vehicle expenses	3,952	11,408	9,907
Superannuation	20,971	19,265	16,536
Training & Seminars	584	0	0
Wages & Employee Entitlements	240,364	208,999	203,971
	-----	-----	-----
	265,871	239,672	230,414
	-----	-----	-----

KURING-GAI MOTOR YACHT CLUB LIMITED

ABN: 87 000 262 920

**DETAILED STATEMENT OF INCOME & EXPENDITURE (cont'd)
FOR THE YEAR ENDED 31 MARCH 2019**

	2019	2018	2017
Licenses & Rates -			
NPWS & Waterways License	44,299	43,361	42,579
Council Rates & License Fees	64,033	64,116	71,776
	-----	-----	-----
	108,332	107,477	114,355
	-----	-----	-----
Member Expense -			
Advertising & Promotion	4,755	4,608	3,443
Club Keys	777	1,434	645
Committee Expenses	6,325	5,600	5,744
Printing, Stationery & Postage	4,213	6,922	4,476
Social Functions (including Open Day)	8,758	9,038	8,523
Trophies & Race Committee	4,132	954	1,185
	-----	-----	-----
	28,960	28,556	24,016
	-----	-----	-----
Maintenance & Consumables -			
Consumable Stores	9,060	9,026	6,379
Electricity & Gas	14,108	17,107	13,694
Maintenance - Clubhouse	29,004	2,647	6,759
- Buildings	71,263	34,962	50,255
- Grounds, Gardens & Lawns	15,070	17,638	17,720
- Health & Safety	6,912	4,413	0
- Moorings	42,269	44,214	37,811
- Plant & Equipment	1,841	664	681
- Pontoons & Wharf	1,698	3,390	4,599
- Tenders	5,008	4,998	13,089
- Pool	2,957	4,237	2,391
- Fuel Supplies	6,865	3,091	566
Lower Cottage Costs	7,291	0	0
Property Security	2,716	3,216	1,744
Rubbish Removal & Cleaning Materials	34,443	34,015	39,159
Water Supply & Sewerage Maintenance	8,893	7,965	11,652
	-----	-----	-----
	259,398	191,583	206,499
	-----	-----	-----
TOTAL EXPENSES	912,995	795,662	786,989
	-----	-----	-----
Profit before Tax	33,110	98,432	82,228
	-----	-----	-----
Income Tax Expense	0	0	0
	-----	-----	-----
NET PROFIT AFTER TAX	33,110	98,432	82,228
	-----	-----	-----

This statement is to be read in conjunction with the attached disclaimer

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF KURING GAI MOTOR YACHT CLUB LTD**

ABN 87 000 262 920

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Kuring-Gai Motor Yacht Club Ltd, (the company) which comprises the statement of financial position as at 31st March, 2019 and the statement of profit or loss and other comprehensive income and statement of cash flows and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In my opinion, the accompanying financial report of the company is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's financial position as at 31st March, 2019 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the code.

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

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

Responsibilities of Directors' 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.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF KURING-GAI MOTOR YACHT CLUB LTD**

ABN 87 000 262 920

Auditor's Responsibility for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF KURING-GAI MOTOR YACHT CLUB LTD**

ABN 87 000 262 920

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Name of Firm: PMK Partners
Certified Practising Accountants

Name of Director: 
Jeffrey McKee

Address: 40/8 Victoria Ave CASTLE HILL

Dated this 15th day of May 2019

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
KURING-GAI MOTOR YACHT CLUB LTD**

I declare that, to the best of my knowledge and belief, during the year ended 31st March, 2019 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.

Name of Firm: PMK Partners
Certified Practising Accountants

Name of Director: 
Jeffrey McKee

Address: 40/8 Victoria Ave CASTLE HILL

Dated this 18th **day of May 2019**