



Little Ship Club
(Queensland Squadron)
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Little Ship Club

Annual Report

2014 – 2015





COMMODORE
Lyle Watkins



VICE-COMMODORE
Christopher Goodhew



REAR-COMMODORE
David Cameron



HONORARY SECRETARY
Roger McDowall



DIRECTOR - HOUSE & SOCIAL
Gaye Morecombe



DIRECTOR - MEMBERSHIP
Karen Davy



The 65th Annual General Meeting of The Little Ship Club (Queensland Squadron) will be held in the Club Rooms at 1 Yabby Street, Dunwich, North Stradbroke Island, on Sunday 11th October 2015, commencing at 1000 hrs in the forenoon. Entry to the meeting will be by presentation of a current Full Membership card bearing the Member's name and number with a valid expiry date of 30th June 2016.

BUSINESS

- Adopt the Minutes of the previous meeting;
- Receive an update on Business Arising from said Minutes;
- Receive and adopt the Reports and Financial Statements for the 12-month period to 30th June 2015;
- Transact any general business;
- Elect Officers for the coming year;

By order of the Board of Directors

Lyle R Watkins
Commodore

NOTICE OF MEETING

The Notice of Meeting and associated documentation was posted on the LSC website's Notice Board page on 24th August 2015 at <http://www.littleshipclub.com.au/> and was advised directly to Members by email that day and/or by postal mail to Members immediately thereafter.

LITTLE SHIP CLUB (Queensland Squadron) 2014–2015 ANNUAL REPORT

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Board of Directors

Current at 30th June 2015

Commodore	Lyle Watkins
Vice-Commodore	Christopher Goodhew
Rear-Commodore	David Cameron
Honorary Secretary	Roger J. McDowall
Treasurer	<i>Vacant</i>
Director House & Social	Gaye Morcombe
Director Membership	Karen Davy
Captain Game Fishing Section	<i>(Ex Officio)</i> Vacant
Captain Fishing Section	<i>(Ex Officio)</i> Colin Barker
Captain Sailing Section	<i>(Ex Officio)</i> Vacant

Board Meeting attendance

1st July 2014 – 30th June 2015

Member	Meetings attended
Lyle Watkins	13 of 13
Christopher Goodhew	8 of 9
David Cameron	8 of 9
Roger J. McDowall	7 of 9
Karen Davy	13 of 13
Gaye Morcombe	6 of 9
Col Barker	12 of 13
Michelle Maschmedt	4 of 4
John Nelson	3 of 4
David Parker	4 of 4
Paul Lyons	1 of 1
Bill Morley	4 of 4
Mark Lopez	4 of 4
Steve Carroll <i>(proxy for Game Fish Captain)</i>	10 of 13

Royal Navy Warrants

During the year the following LSC member vessels were authorised by the First Sea Lord of the Royal Navy, Admiral Sir George Zambellas KCB DSC ADC, Chief of Naval Staff (RN) to fly the Blue Ensign (Defaced) in accordance with the *Merchant Shipping Act 1894*.

Motor Yacht	<i>"Silhouette"</i>
Registration No.	JQ928Q
Owner	Lyle Watkins
Motor Yacht	<i>"Braveheart"</i>
Registration No.	TI011Q
Owner	Garry Clayphan



COMMODORE'S REPORT

When I was appointed Commodore at the AGM in October 2014, along with the other Board Members we were faced with what appeared at the time to be an impossible task to save our Club from financial ruin. After much 'hands-on' effort your current Board has been able to stabilise the position through effective stock control, drastic cost-cutting measures (including a substantial reduction in wages) and concentration on cash preservation. These measures combined with the reintroduction of procedures including accurate record-keeping, computer backups and stable management whilst creating a 'handover procedure' for future Boards and management.

Whilst the Operating Result disclosed in the Directors' Report is a modest \$18,160 profit for the year ended June 2015, the nett increase in cash held is a positive \$64,141. This is a far cry from the (\$409,983) cumulative loss for the past two years which saw a reduction in cash held of (\$437,169).

At this point I draw your attention to Note 5: Property, Plant and Equipment, where the Board appointed Crane and Company Valuers Pty Ltd to provide a current valuation of the Freehold Land and Buildings (including Pontoons). Land value has been increased from \$24,857 to \$1,050,000 and Buildings etc. from \$603,541 to \$966,815.

Another positive is the substantial increase in Membership numbers and subscriptions received during the financial year. It is a clear indication that you, the Members, supported both your Club and the current Board and its motivation to retain our proud heritage and individual identity. My sincere thanks goes to my fellow Board members for a job well done and the personal sacrifice of their time and effort that largely goes unnoticed by many.

The current Board also inherited unsettled legal matters re *Sullivan V Little Ship Club/McAllister* and was able to complete the negotiations (initiated by the previous Secretary Mr Bill Morley) for a satisfactory settlement to conclude this lengthy and disruptive matter.

As Commodore I attended to the successful running of the Jib & Awning event on New Year's Day and the Constitution Cup on Australia Day, both of which led to renewed support for the LSC Sailing Section. The LSC Game Fish Club held a successful 40th Anniversary Tournament in February and the LSC Fishing Section held several weigh-ins throughout the year.

Rear-Commodore David Cameron organised another very successful Champagne Cruise in May, and I would like to acknowledge Southport Yacht Club for its generous support of this event, once more accommodating our cruising Members. The LSC again held the Annual Sail Past and Commodore's at Home, and also the Jazz Festival in June. LSC was well represented at the 100th Year ANZAC Day March with the support of many past Commodores and Members.

Due to the resignation of Honorary Treasurer Michelle Maschmedt, the Board contracted the services of a professional bookkeeping firm – Stone Consulting – with a qualified bookkeeper attending the club on a weekly basis to produce and maintain accurate account keeping.

This unplanned but necessary expense has resulted in a fully reconciled, accurate set of books being provided to our auditors.

In early December 2014 Dorothy and Robert Patterson were appointed as managers of the Club. They have settled into their roles and proven a great asset to both Board and Club.



COMMODORE'S REPORT

(continued)

In relation to the appointment of a chef for the bistro, there was considerable expense to the Club during the period November 2014 to April 2015 when it was necessary to utilise contract labour from Chefs on the Run. Finally, a suitable appointment was made with chef John Nasari starting in April.

Building and grounds maintenance. A new dishwasher was purchased, all locks were re-keyed to re-secure the premises, and major plumbing, gas line repairs and repairs to deep fryers (due to water ingress which caused major disruption to the bistro trading during the Christmas/New Year period) were also done. After many years of absence the 'Marlin' and the 'Red Beacon' have been refurbished and reinstalled. I would like to thank all the volunteers who have given their time to assist with the upkeep of the grounds throughout this year.

Planning has begun for repairs and upgrades to facilities utilising preserved funds.

Stabilisation is only Part 1 of steering this ship back on course – Part 2 is negotiating a new route with a planned course of action which will require more Members to 'take their turn at the helm with all hands on deck'.

I hope this quip gets the message across that a minimum of one year of active duty can lighten the load and ensure LSC has a future not just a past.

In closing, I would like to invite all Members, both new and old, to continue to support your Club and to actively promote and patronise its facilities. I look forward to meeting as many of you as possible at the Club's Annual Trophy Night, and at the Annual General Meeting, in October.

Lyle Watkins
Commodore



It has been my privilege to serve on the Board, with what has been achieved this year, and especially the result for the part financial year from October 2014 to the end of June 2015. I must personally acknowledge the extraordinary input from the team of Karen and Lyle, and note the sheer volume of time and attendance provided by both they and Gaye and Roger. Special mention must go to Karen for being the *de facto* treasurer for the greater part of the year.

My part has been small. The Flying 11s were returned from the Brisbane 18-footers and sold for a fair price. Drafting Constitutional updates and amendments will be an ongoing project for this Board seat.

The future, like the past, is a foreign country; they do things differently there.

This year the focus has been on administration of the Club and increasing membership back to the levels of yesteryear. A limited number of Bay outings has been held but, in saying that, there have been two very successful excursions: the weekend at Blakesley's and the Champagne Cruise. Both of these events were very successful and all participants enjoyed the fun, fellowship, and frivolity.

The Sail Past which preceded the Commodore's at Home was a great success with more boats participating than in previous years.

The business model of the LSC has, from the 1990s on, moved away from a closed, exclusive boating fraternity to a more open and accepting Club and one, additionally, servicing the North Stradbroke Island community.

The economy of the island will alter significantly between now and 2019, and we as a Club would do well to regard this more of an opportunity than a threat. It is certain that 'business as usual' cannot and will not apply. The incoming Board would be well advised to consider how the Club might maximise future opportunities, given that relying on a shrinking local market is unlikely to support Members' interests.

Chris Goodhew
Vice-Commodore

VICE-COMMODORE'S REPORT

Trophy night will be held on 10th October at the club and this will be followed by the Annual General Meeting on Sunday 11th October, also at the Club.

It has been a pleasure to serve on the Board with Commodore Lyle Watkins and Karen Davy who have done a sterling job in returning the Club to its former glory, and I wish the incoming committee every success.

David Cameron
Rear-Commodore

REAR-COMMODORE'S REPORT



SECRETARY'S REPORT

Considerable dedication and a desire to ensure the continuance of the LSC as a Queensland boating icon with a strong view to maintain the heritage of the organisation has resulted in the financial resurgence and stabilisation of the LSC.

Membership unanimously rejected the proposal to amalgamate with any 'like-minded' organisation at the October 2014 AGM and, with that in mind, the current Board began to implement strategies that would provide a secure foundation on which the Club could build. It was disappointing to see how such a strong community club could reach a stage where it was almost lost.

During the tenure of the present Board financial stability has been achieved and administrative procedures introduced to ensure legislative compliance with a major focus on transparency. Board members took the view that it was paramount to keep the membership well informed of activities and took steps to openly discuss any issues or suggestions that Members may have had.

It has not been an easy period and the Board has contributed time well in excess of requirements: results of these efforts are outlined in the Directors' Reports.

As Honorary Secretary it would be remiss of me not to acknowledge the exceptional efforts of the Commodore, Lyle Watkins, and Director – Membership Karen Davy. Karen's organisational and marketing skills are reflected in the resurgence in Club membership. Moreover, Karen undertook management of the eNews and, after resignation of our Treasurer, also filled that vacancy.

On the administrative front it was necessary to employ a part-time bookkeeper to administer payroll and accounts.

This has been most successful and now provides full and accurate records of the Club's financial activities.

Director – House & Social Gaye Morcombe built a long term social calendar around historical club events, to ensure that the identity of the LSC is not lost and enable members to plan their participation well ahead of time.

As with any like-minded organisation, Constitutional reviews are an ongoing activity. A review has been undertaken by the Board and a view formed that a need exists to modify the current composition of the Board. Given the membership numbers, the need to have a Board consisting of 10 Members is, to say the least, over-representative. As such, proposals have been drafted to present to a SGM for some minor changes to be considered.

Both the Game Fishing and Fishing Sections performed well with excellent attendances at competitions.

The Board continues to act in the best interests of the Members with a commitment to provide a well-constructed foundation for future development.

Roger J McDowall
Director – Honorary Secretary



Events Calendar 2015

Event	Location	Date
1. Friday Night Raffles	LSC	Every Friday night
2. Jib & Awning Race	LSC	1 January
3. Constitution Cup	LSC	26 January
4. Game Fishing Tournament	LSC	13 – 15 February
5. Fishing Competition	LSC	20 – 22 March
6. Commodore's at the Bar	LSC	27 March
7. Sunset Cocktails	LSC	4 April
8. Sailing Challenge	LSC	4 April
9. Fishing Competition	LSC	17 – 19 April
10. Commodore's At Home	LSC	18 April
11. ANZAC Day	LSC	25 April
12. Champagne Cruise	LSC	2 – 9 May
13. Mothers Day	LSC	10 May
14. Fishing Competition	LSC	22 – 24 May
15. Jazz Festival	LSC	7 June
16. Fishing Competition	LSC	19 – 21 June
17. Fishing Competition	LSC	17 – 19 July
18. Fishing Competition	LSC	14 – 16 August
19. Father's Day	LSC	6 September
20. Fishing Competition	LSC	25 – 27 September
21. Bubbles by the Bay	LSC	3 October
22. Trophy Night	LSC	10 October
23. AGM	LSC	11 October
24. Bubbles by the Bay	LSC	31 October
25. Melbourne Cup	LSC	3 November
26. Christmas Drinks with the Board	LSC	19 December
27. New Year's Eve	LSC	31 December

Events Calendar 2016

Event	Location	Date
1. Jib & Awning Race	LSC	1 January
2. Constitution Cup	LSC	26 January
3. Game Fishing	LSC	TBA
4. Valentine's Day	LSC	14 February
5. Seafood Festival	LSC	TBA
6. Sunset Cocktails	LSC	26 March
7. Commodore's at Home	LSC	16 April
8. Anzac Day	LSC	25 April
9. Champagne Cruise	LSC	TBA
10. Mother's Day	LSC	8 May
11. Jazz Festival	LSC	12 June
12. Father's Day	LSC	4 September
13. Trophy Night	LSC	TBA
14. AGM	LSC	TBA
15. Melbourne Cup	LSC	1 November
16. Christmas Drinks with the Board	LSC	17 December
17. New Year's Eve	LSC	31 December

Fishing Competition dates to be advised; all 2016 events are subject to confirmation by the incoming Board.



HOUSE & SOCIAL REPORT

The 2014-15 year has been one of review in identifying social activities that meet Member requirements. Several functions were arranged and promoted during the reporting period, namely: Melbourne Cup, Valentine's Day, Commodore's at the Bar, Sunset Cocktails, Commodore's at Home, Mother's Day, Jazz Festival, Father's Day – all of which were financial successes – and, more recently, 'Bubbles by the Bay'. In concert with the Club managers the wine list and prices have been reviewed, resulting in the reduction of overall prices and refinements to the product range.

Additionally, the bistro menu, after consultation with our Club manager and chef, has been modified and continues to be 'a work in progress' to identify and satisfy the demanding palates of our Members and guests. We have a number of other novel ideas on the drawing board and with both Dori's and John's expertise members should look forward to more social activity at the Club.

We had of course been restricted in event planning given the financial situation as at 12th October 2014. With that now behind us the Board has approved the reintroduction of live music on a regular monthly basis and we look forward to increased attendance at our part of 'paradise'.

To all the volunteers who have assisted me over the year, my many thanks and I look forward to your continued support and assistance.

We will again attempt to establish a House & Social Committee consisting of four interested and dedicated Club Members. Should you be interested in becoming involved on the 'fun' side of things' please give me a call.

Gaye Morcombe
Director- House & Social



MEMBERSHIP REPORT

It is with great personal satisfaction that I present the 2015 Membership Report.

Member subscriptions have increased over 80% to \$139,699, from \$77,097 in 2014 and \$61,305 in 2013.

Full Memberships increased by 131, with 100 new Full Members, including eight Social Members upgrading to Full membership) and the return of 31 lapsed Full Members.

The concentrated efforts of the Membership Committee during 2014-15 resulted in the return of the 31 lapsed Full Members from 2012 and 2013 together with a 92% retention of 2014 members.

Events of the past few years had tarnished the LSC image with a negative impact on membership retention and growth so it has been heartening to see the membership base expanding to this extent.

In March, 2015 the Board increased the 2015-16 Subscriptions for Full Membership and Associates and corrected the 50% discounted fee for Seniors. These amendments were in line with CPI increases and the Articles of Association.

The total Financial Membership, as at 30th June 2015 is:

The 2015-16 Member subscriptions (since March) have been reserved in a separate interest-bearing savings account (\$59,796 at 30th June 2015). The intention is to preserve all future Membership fees and approve their allocation as and when required for improvements to boating facilities for the benefit of the Members.

In closing, I would like to thank our staff and managers and all Members who support and encourage new membership. Also a thank you to Member Matthew Tesch for taking on production of the eNews, assisting with the new website and presentation of this year's reports. This year proves to us all that positive actions return positive results.

Karen Davy
Director – Membership

Full voting Members <i>(including Full, Senior, PC HLM, HLM, FML)</i>	547
Associate Members	320
Social Members	311
Total Financial Membership	1,178



FINANCIAL REPORT

The LSC Annual Report prepared by Auditors Mobbs & Company shows a profit of \$18,160 compared to a loss of (\$324,112) in 2014, and (\$85,871) in 2013. Although not a huge profit it is a vast improvement on recent years and a positive indicator for the future of the Club, provided sound management practices continue to be maintained.

The Nett Cash Held has increased to \$64,141, compared with losses of (\$430,048) in 2014, and (\$7,121) in 2013. While some might argue the increase in Nett Cash is due to minimal funds being spent in the area of Capital Upgrades, it was vital to conserve cash holdings to prevent further losses and to minimise unnecessary spending during this stage of stabilisation.

During the last financial quarter, the Board introduced two 'cash preservation' interest-bearing savings accounts: the first (named Depreciation Account: \$64,039) has been reserved for the specific use for repairs or upgrades of Capital Assets (e.g. gaming machines, vehicles, renovations, repairs or improvements to the Clubhouse including bar, bistro and function facilities. The second (Membership Account: \$59,796) was created to preserve all future Membership Fees so they are no longer absorbed in the trading operations of the Club as a venue. These funds can be allocated where required for improvements to boating facilities for the Members. A move which we believe the Members will approve.

The Freehold Land had not been revalued in the Club Financial Reports from the original purchase price of \$24,857. A complete revaluation has now increased the total equity and recorded the Freehold Land at a current valuation of \$1,050,000 and Buildings and Pontoons at \$966,815.

Whilst sales trading revenue was down \$240,129 and gaming revenue down \$9,113, purchases were proportionally down, from \$584,065 (approx. 58% of sales) to \$387,024 (just over 50% of sales). Gaming machine payouts were also down 50% ,by some \$31,000.

Employment and Administration expenses were collectively reduced from \$927,333 (2014) and \$932,347 (2013) to \$650,649, a 30% reduction.

The only major capital upgrade during 2014-15 was the purchase of a new dishwasher in September 2014; however, there were some costly unforeseen repairs. Numerous maintenance items and equipment upgrades have been identified by the Board for inclusion in the future works program. A new website is due to be launched in October, 2015 and will incorporate the latest web search engine optimisation (SEO) to increase traffic to the site for the purpose of increasing awareness of LSC as an event venue. Enhanced notices and membership functionality will more easily inform Members, facilitating completion and lodgement of new and renewal applications online.

Management applied for Staff Training incentives on offer to claim \$3,900 in this area.

Rebates and Refunds to the value of \$8,235 were claimed. The majority of this amount was by way of a refund from one of the Club's insurers due to an overpayment of a premium in March 2014.

Overall, a positive result to report and the satisfaction of leaving the financial records in better shape than we found them. I have no doubt our new Honorary Treasurer will take us to the next level in professional guidance of the Club's financial operations.

Karen Davy
Director



Little Ship Club Queensland Squadron

Financial Statements
For the year ended 30 June 2015

Mobbs & Company
CERTIFIED PRACTISING ACCOUNTANTS



Little Ship Club Queensland Squadron

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Little Ship Club Queensland Squadron Directors' Report

Your directors present this report on the company for the financial year ended 30 June 2015.

Directors

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

Lyle Rhys Watkins
Roger James McDowall
Karen Lee Davy
Chris Goodhew
David Cameron
Gaye Morcombe
Colin William Barker
Michelle Maschmedt (resigned Jan 2015)
John Raymond Nelson (resigned Oct 2014)
Paul Lyons (resigned Aug 2014)
David Parker (resigned Oct 2014)
William Morley (resigned Oct 2014)
Mark Lopez (resigned Oct 2014)

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

Operating Result

The profit of the company for the financial year amounted to:

Year ended	Year ended
30 June 2015	30 June 2014
\$	\$
18,160	(324,112)

Principal Activities

The principal activities of the company during the course of the year were the provision of facilities to foster and improve recreational boating in Northern Moreton Bay.

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

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

After Balance Date Events

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

Future Developments

The company expects to maintain the present status and level of operations and hence there are no likely developments in the operations in future financial years.

The accompanying notes form part of these financial statements.



Little Ship Club Queensland Squadron Directors' Report

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Directors Benefits

No director has received or has become entitled to receive, during or since the financial year, a benefit because of a contract made by the company or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

Indemnifying Officer or Auditor

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial year, to any person who is or has been an officer or auditor of the company.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

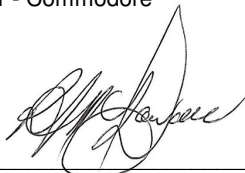
Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 has been included.

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



Lyle Rhys Watkins
Director - Commodore



Roger James McDowall
Director - Honorary Secretary

Dated: 1st September 2015

The accompanying notes form part of these financial statements.



**Little Ship Club Queensland Squadron
Auditor's Independence Declaration**

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been :

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the Audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit

Mobbs & Company Pty Ltd
Stephen Shirley, Company Auditor Registration - #290262
Unit F3 The Precinct, 12 Browning Street, West End Qld 4104



25/08/2015
West End

The accompanying notes form part of these financial statements.



Little Ship Club Queensland Squadron
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2015

	Note	2015 \$	2014 \$
Revenue	2	999,991	1,249,233
Other revenue	2	205,355	104,164
Cost of sales		<u>(462,086)</u>	<u>(710,351)</u>
Gross profit		743,260	643,046
Marketing		(9,128)	(35,392)
Selling expenses		(36,222)	(3,990)
Administration expenses		(303,576)	(392,190)
Employment Expenses		(347,073)	(535,143)
Funding Costs		(1,255)	(444)
Section Expenses (GFC,FC,SC)		(27,846)	
Operating profit (deficit) after income tax		<u>18,160</u>	<u>(324,112)</u>

The accompanying notes form part of these financial statements.



Little Ship Club Queensland Squadron
Statement of Financial Position as at 30 June 2015

	Note	2015 \$	2014 \$
Assets			
Current Assets			
Cash assets	3	256,759	192,618
Receivables		51,533	1,910
Inventories	4	41,795	49,378
Other		15,096	12,381
Total Current Assets		365,183	256,287
Non-Current Assets			
Property, plant and equipment	5	2,127,102	779,292
Total Non-Current Assets		2,127,102	779,292
Total Assets		2,492,285	1,035,579
Liabilities			
Current Liabilities			
Payables		19,954	10,359
Funded premium		12,935	
Current tax liabilities		19,704	9,919
Super Liability		5,735	11,788
Total Current Liabilities		58,328	32,066
Non-Current Liabilities			
Security Token Deposits		21,612	17,887
Total Non-Current Liabilities		21,612	17,887
Total Liabilities		79,940	49,953
Net Assets		2,412,345	985,626
Equity			
Reserves		2,804,168	1,395,609
Retained profits / (Accumulated losses)		(391,823)	(409,983)
Total Equity		2,412,345	985,626

The accompanying notes form part of these financial statements.



**Little Ship Club Queensland Squadron
Statement of Changes in Equity**

	Notes	Retained Profits	Total
Balance at 01/07/2013		1,309,738	1,309,738
Loss attributable to members		(324,112)	(324,112)
Subtotal		985,626	985,626
Balance at 30/06/2014		985,626	985,626
Revaluation reserve		1,420,461	1,420,461
Audit adjustments		(11,902)	(11,902)
Profit attributable to members		18,160	18,160
Subtotal		2,412,345	2,412,345
Balance at 30/06/2015		2,412,345	2,412,345

The accompanying notes form part of these financial statements.



Little Ship Club Queensland Squadron
Statement of Cash Flows
For the year ended 30 June 2015

	2015	2014
	\$	\$
Cash Flow From Operating Activities		
Receipts from customers	1,153,902	1,343,918
Payments to Suppliers and employees	(1,111,924)	(1,696,201)
Interest received	1,821	15,427
Net cash provided by (used in) operating activities (note 2)	43,799	(336,856)
Cash Flow From Financing Activities		
Proceeds of funded insurance premium	12,935	
Net cash provided by (used in) funding activities	12,935	
Increase (decrease) in property, plant and equipment	7,407	(93,192)
Net cash provided by (used in) funding activities	7,407	(93,912)
Net increase (decrease) in cash held	64,141	(430,048)
Cash at the beginning of the year	192,618	622,666
Cash at the end of the year (note 1)	256,759	192,618

The accompanying notes form part of these financial statements.



Little Ship Club Queensland Squadron
Statement of Cash Flows
For the year ended 30 June 2015

2015

2014

Note 1. Reconciliation Of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Main account - Suncorp #2641	14,659	73,538
Imprest account - Suncorp #2722	11,908	20,517
Gaming account - Suncorp #2684	20,000	41,779
WebSavings account - BOQ #7098		812
Investment account - BOQ #7827		
LSGFC cheque account - BOQ #1009	1,337	1,435
LSGFC WebSavings account - BOQ #4792	25,233	22,338
LSC Fishing cheque account - BOQ #7931	3,788	3,103
Term deposit - Suncorp #0681		
Holding accounts	16,762	
Managers Imprest - #8951	5,528	
Term Deposit - #5153	17,810	
Membership account #9550	59,796	
Depreciation account #9517	64,039	
LSC Sailing Sect Cash on Hand	300	
Petty cash	300	5,036
Gaming float	10,000	21,860
Kitchen float	300	300
Bar float	600	600
Change for Tills	3,000	1,300
ATM Safe float	1,400	
	256,759	192,618

The accompanying notes form part of these financial statements.

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Little Ship Club Queensland Squadron
Statement of Cash Flows
For the year ended 30 June 2015

	2015	2014
Note 2. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Operating Profit After Income Tax		
Operating profit after income tax	18,160	(324,112)
Depreciation	53,341	65,985
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	(49,623)	5,948
(Increase) decrease in finished goods	7,583	15,631
(Increase) decrease in prepayments	(2,715)	13,512
Increase (decrease) in trade creditors and accruals	9,595	(77,837)
Increase (decrease) in other creditors	3,725	70
Increase (decrease) in employee entitlements	(10,561)	9,724
Increase (decrease) in sundry provisions	14,294	(45,776)
Net cash provided by operating activities	43,799	(336,856)

The accompanying notes form part of these financial statements.



Little Ship Club Queensland Squadron
Notes to the Financial Statements
For the year ended 30 June 2015

Note 1: Summary of Significant Accounting Policies

Little Ship Club Queensland Squadron is a company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 25 August 2015 by the directors of the company.

Basis of Preparation

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependant on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Corporations Act 2001.

The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The material accounting policies that have been adopted in the preparation of the statements are as follows:

Accounting Policies

(a) Property, Plant and Equipment

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

Property

Freehold land and buildings are carried 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 land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of profit and loss and other 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.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.



Little Ship Club Queensland Squadron
Notes to the Financial Statements
For the year ended 30 June 2015

Depreciation

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5 - 3%
Furniture and equipment	11 - 40%
Motor vehicles	30%

The assets' residual values 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 or losses are recognised immediately in profit or loss. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(b) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on a first-in first-out basis.

(c) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bond terms to maturity that match the expected timing of cash flows.

(d) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefit will result and that the outflow can be measured reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term investments.

(f) Revenue and Other Income



Little Ship Club Queensland Squadron
Notes to the Financial Statements
For the year ended 30 June 2015

The principal sources of income cannot be fully controlled or verified until they are entered into the accounting records of the company, and are predominantly recognised only on receipt.

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

(g) Goods and Services Tax (GST)

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

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

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

(h) 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 company 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.

(l) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the company. The directors have decided not to early adopt any of the new and amended pronouncements. The directors' assessment of the new and amended pronouncements that are relevant to the company but applicable in future reporting periods is set out below:

- AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and liabilities) to be measured at fair value.

These Standards are not expected to significantly impact the company's financial statements.

- AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The company does not have any defined benefit plans and so is not impacted by the amendment.

AASB 119 (September 2011) also includes changes to:



Little Ship Club Queensland Squadron
Notes to the Financial Statements
For the year ended 30 June 2015

- require only those benefits that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service to be classified as short-term employee benefits. All other employee benefits are to be classified as other long-term employee benefits, post-employment benefits or termination benefits, as appropriate; and
- the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:
 - (i) for an offer that may be withdrawn - when the employee accepts;
 - (ii) for an offer that cannot be withdrawn - when the offer is communicated to affect employees; and
 - (iii) where the termination is associated with a restructuring of activities under AASB 137: Provisions, Contingent Liabilities and Contingent Assets and if earlier than the first two conditions when the related restructuring costs are recognised

These Standards are not expected to significantly impact the company's financial statements.



Little Ship Club Queensland Squadron
Notes to the Financial Statements
For the year ended 30 June 2015

	2015	2014
Note 2: Revenue and Other Income		
Sales revenue:		
Non-primary production trading revenue	999,991	1,249,233
	999,991	1,249,233
Other revenue:		
Interest revenue	1,821	15,427
Traineeship incentive	3,900	
Member subs	139,699	77,097
Rebates and refunds	8,235	1,931
Sundry income	20,859	9,710
Section income (GFC,FC,SC)	30,841	
	205,355	104,164
Note 3: Cash assets		
Bank accounts:		
Main account - Suncorp #2641	14,659	73,538
Imprest account - Suncorp #2722	11,908	20,517
Gaming account - Suncorp #2684	20,000	41,779
WebSavings account - BOQ #7098		812
LSGFC cheque account - BOQ #1009	1,337	1,435
LSGFC WebSavings account - BOQ #4792	25,233	22,338
LSC Fishing cheque account - BOQ #7931	3,788	3,103
Term deposit - Suncorp #0681		
Holding accounts	16,762	
Managers Imprest - #8951	5,528	
Term Deposit - #5153	17,810	
Membership account #9550	59,796	
Depreciation account #9517	64,039	
Other cash items:		
LSC Sailing Sect Cash on Hand	300	
Petty cash	300	5,036
Gaming float	10,000	21,860
Kitchen float	300	300
Bar float	600	600
Change for Tills	3,000	1,300
ATM Safe float	1,400	
	256,759	192,618



Little Ship Club Queensland Squadron
Notes to the Financial Statements
For the year ended 30 June 2015

	2015	2014
Note 4: Inventories		
Current		
Finished goods at cost	41,795	49,378
	<u>41,795</u>	<u>49,378</u>
 Note 5: Property, Plant and Equipment		
Freehold land:		
- At cost	1,050,000	24,857
	<u>1,050,000</u>	<u>24,857</u>
Buildings:		
- At cost	1,341,700	918,425
- Less: Accumulated depreciation	<u>(374,885)</u>	<u>(314,885)</u>
	966,815	603,541
Furniture and fittings:		
- At cost	246,932	246,932
- Less: Accumulated depreciation	<u>(237,501)</u>	<u>(233,460)</u>
	9,431	13,472
Equipment:		
- At cost	300,527	294,980
- Less: Accumulated depreciation	<u>(256,512)</u>	<u>(238,506)</u>
	44,015	56,474
Gaming machines:		
- At cost	384,349	384,349
- Less: Accumulated amortisation	<u>(330,171)</u>	<u>(306,952)</u>
	54,178	77,397
Motor vehicles:		
- At cost	30,112	30,112
- Less: Accumulated depreciation	<u>(27,449)</u>	<u>(26,561)</u>
	2,663	3,551
	<u>2,127,102</u>	<u>779,292</u>



Little Ship Club Queensland Squadron
Notes to the Financial Statements
For the year ended 30 June 2015

2015

2014

Note 6: Members' Guarantee

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute to the assets of the Club, in the event of the Club being wound up, while that person is a Member, or within one year after that person ceased to be a Member, for payment of the debts and liabilities of the Club, contracted before that person ceases to be a Member, and of the costs, charges and expenses of winding up, and for adjustment of the rights of the contributories, among themselves, such amounts as may be required, not exceeding one hundred dollars (\$100.00).

Note 7: Auditors' Remuneration

Remuneration of the auditor of the company for:

Auditing or reviewing the financial report	16,000	20,020
Other services		
	<u>16,000</u>	<u>20,020</u>



Little Ship Club Queensland Squadron Directors' Declaration

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies prescribed in Note 1 to the financial statements.

The directors of the company declare that:

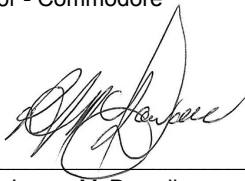
1. the financial statements and notes are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards described in Note 1 to the financial statements and the Corporations Regulations; and
 - (b) give a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors are responsible for the reliability, accuracy and completeness of the accounting records and the disclosure of all material and relevant information.

This declaration is made in accordance with a resolution of the Board of Directors.



Lyle Rhys Watkins
Director - Commodore



Roger James McDowall
Director - Honorary Secretary

Dated: 1st September 2015



Little Ship Club Queensland Squadron Independent Auditor's Report

We have audited the accompanying financial report, being a special purpose financial report, of Little Ship Club Queensland Squadron (the company), which comprises the Directors' Declaration, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, Statement of Cash Flows, Statement of Changes In Equity, notes comprising a summary of significant accounting policies and other explanatory information, for the year ended 30 June 2015.

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 and have determined that the accounting policies described in Note 1 of the financial report are appropriate to meet the requirements of the Corporations Act 2001 and to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a 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 and fair presentation 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 Little Ship Club Queensland Squadron, would be in the same terms if given to the directors as at the time of the auditor's report.

Opinion

In our opinion the financial report of Little Ship Club Queensland Squadron is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the Corporations Regulations 2001.



**Little Ship Club Queensland Squadron
Independent Auditor's Report**

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose.

Signed on : 25/08/2015



Stephen Shirley, Company Auditor Registration - #290262
Mobbs & Company Pty Ltd
Unit F3 The Precinct, 12 Browning Street, West End Qld 4104



Little Ship Club Queensland Squadron
Trading Account
For the year ended 30 June 2015

	2015	2014
	\$	\$
Trading Income		
Sales	768,005	1,008,134
Gaming machine revenue	231,986	241,099
Total Trading Income	999,991	1,249,233
Cost of Sales		
Add:		
Opening stock - Bar	30,800	48,423
Opening stock - Merchandise	8,133	8,934
Opening stock - Bistro	10,445	7,652
Purchases	387,024	584,065
Movement in inventory		3,555
Freight		8,244
Gaming machine maintenance		15,428
Gaming machine tax	20,420	16,523
Gaming machine payouts	31,004	62,072
Monitoring & other fees	16,055	4,833
	<u>503,881</u>	<u>759,729</u>
Less:		
Bar stock	35,294	30,800
Merchandise stock	2,371	8,133
Food stock	4,130	10,445
	<u>41,795</u>	<u>49,378</u>
Cost of Sales	462,086	710,351
Gross Profit from Trading	<u>537,905</u>	<u>538,882</u>

The accompanying notes form part of these financial statements.



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