



Photo by: Andrea Francolini

ANNUAL REPORT SYDNEY FLYING SQUADRON LTD

2014-2015

Australia's oldest open boat sailing club founded in 1891

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AGENDA

Agenda

The 126th Annual General Meeting of the Sydney Flying Squadron Limited will be held at 09.30am on Saturday, 17th of October, 2015 in the Clubhouse, 76 McDougall Street, Milsons Point, NSW 2061.

1. Apologies
2. To confirm the minutes of the 125th Annual General Meeting
3. To receive and adopt the financial statements of the Company and the Group for the year ending 31 May, 2015 and the reports by Directors and Auditors.
4. To elect the Board for the coming year.
5. To deal with any business of which notice has been given in accordance with the requirements of the Company's Constitution (Articles of Association).
6. To deal with any other business that the meeting may approve of, and for which due notice has not been given.

MINUTES OF THE 125TH ANNUAL GENERAL MEETING

Minutes of the 125th Annual General Meeting

Minutes of the 125th Annual General Meeting of the Sydney Flying Squadron Limited held ON THE 6th of SEPTEMBER, 2014 At the Clubhouse at 76 McDougall St. Milsons Point NSW 2061.

Attendance: Present as per the list of financial members held by the Secretary Manager.

CHAIRMAN: The President Jeremy Sharp chaired the meeting.

WELCOME: The Chairman welcomed all members and declared a quorum had been achieved.

APOLOGIES:

As per list held by the Secretary.

The apologies were accepted. Moved: Jeremy Sharp Seconded: Jenny Ross. CARRIED.

One-minute silence was observed to reflect on the members who had passed during the year.

CONFIRM THE MINUTES OF 2013 AGM. The minutes were read

Moved: Alan Robertson Seconded: Gerry Nolan. CARRIED.

RECEIVE AND ADOPT THE FINACIAL STATEMENTS FOR THE YEAR.

Alan Robertson talked about the finance of the Club and the steps towards the future, reasonable changes and improving the Club's facilities.

Jeremy Sharp explained how the board works and the election of Board members made every second year and thanked the current board.

MINUTES OF THE 125TH ANNUAL GENERAL MEETING

ELECTION OF THE BOARD.

Peter Jackson was voted unopposed to the Board.

OTHER AGENDA

No due notice received

GENERAL BUSINESS

Ian Kiernan patron's speech.

Erin Sharp talked about the willingness of MHYC 16ft to provide assistance to the development of youth sailing at the Club.

Ian Pretty talked about creating a wheelchair access between the wall near the Ensemble Theatre.

A Welcome to Peter Jackson.

The meeting closed at 10.35am

Acting President's Report

The post of President became vacant following Jeremy Sharp's resignation during the course of this year and was not filled out of respect for Jeremy's contribution to the club, not only on this current board but on previous boards.

Following Jeremy's departure, I stepped into the role of acting President until the 2014-15 AGM, at which time I intend to resign from the post and allow the membership make the choice from that point.

The year has been somewhat unusual and tumultuous in that we have had two Commodores and two Presidents, albeit one in an acting capacity. Nevertheless, Michael van Stom and I managed to splice ourselves into those roles without too much upheaval and so the show went on. I thank Michael for the very competent and easy manner in which he slipped in the club's leading post, that of Commodore. Allow me to congratulate each board member for their significant contributions this year.

It should be said that this year was an extremely busy, even stressful year for our board members, who had the task of executing and making the final decisions that were necessary to bring to fruition the strategy formulated two years ago to make the changes to our club required to ensure long term viability.

The room you are now sitting in is, in part, an articulation of those plans and we do hope you are happy with the outcome.

My thanks go to the volunteers in every capacity. They are the life-blood of this club. No volunteers, no racing – simple as that. Their work is a joy to see every weekend and we hope they all understand how much we appreciate their involvement, right down to that cup of tea I have most mornings on the deck to the post-race sausage sangers.

Members, 2014 – 15 was not an easy year corporately for the SFS. The sailing was a dream: and, as we now head toward our AGM, we feel that room the hard work and long hours came the correct decisions that we trust will ensure the longevity and self-sufficiency we sought for your club.

I have not been a member long: five years. However, the opportunity to serve the club during that time has been a privilege and given me very strong sense of the history, the provenance this place exudes and of course loyalty to the cause – that of continuing the tradition of 18' skiff sailing on Sydney harbour from Australia's oldest open boat sailing club.

Alan Robertson

Acting President – SFS.

Treasurer's Report

The strategy for the last financial year has been a continuation of that agreed upon by the board of 2011-2012 and subsequent boards i.e. to focus upon the reduction of debt and the careful management of costs in order to place ourselves in a position to once again move ahead.

Of course, maintenance costs and some other timely minor capital expenditures e.g. the new room located where the poker machines were situated were necessary during the course of the year.

Regardless of those items, the business objectives and strategic focus remained unchanged so that the club was in a position to make further significant improvements to the facilities, one of which is self-evident in the new bar, restaurant and catering arrangements. There will be more to come as our financial health returns and more improvements to your club become viable.

These changes are a continuing part of our overall business plan to ensure the club itself is self-sufficient financially and to no longer rely upon Pattons income to "prop up" the club's operations. This, in turn, will allow us to retain the profit made by Pattons operations, investing that back into the site to make much needed and overdue improvements, particularly to the slipway.

While a profit of \$211,385 this last financial year has been made, it is frankly below par and is, furthermore, bolstered by the one-off windfall from the sale of the poker machine entitlements. The negative trajectory of the SFS income is, as has been noted before, unsustainable in the face of rising and unavoidable future costs and capital requirements, hence your board's strategy to redress this looming situation.

It is my belief that while this year has required a lot of very hard work and tough decisions to be taken by your board, it has been a worthwhile and very necessary exercise to identify the correct course of action and execute the strategy with resolve and focus.

This has been my fourth year now as Treasurer of your club. It would be remiss of me not to thank my fellow board colleagues for their support, assistance and encouragement to execute a long term strategy to return this wonderful old club to a better state of financial health both in the present and for the future. I've used the term "future-proofing" before and it remains relevant today, as there is still much work to be done and careful financial management in cost control and increasing income is crucial to long-term survival. Only with these two critical measures in the forefront of following boards' minds can the club

TREASURER'S REPORT

facilities and amenities continue to be introduced and/or improved for the future benefit and enjoyment of all our members. I will be stepping down as Treasurer at the up-coming AGM. Thank you all for the support you have shown over my time in that role.

Alan Robertson

Hon. Treasurer – SFS.

Commodore's Report

I took over as Commodore in January from Felix Finlay, who was overloaded with personal and career issues. I am very grateful to Felix for his hard work in setting up the 2014-15 sailing season. It made the transition that much easier.

The sailing this year was of a very high standard with the number of capsizes reduced significantly. However there were a couple of notable exceptions particularly when the Yendy's tiller snapped off in Harold Cudmore's hand just off Steele Point. The aftermath was displayed on prominent sailing websites in all its glory.

We captured the attention of British triple Olympic sailor Shirley Robertson who host's the CNN sailing program "Mainsail". Shirley was here to cover Seve Jarvin's campaign to win his 7th JJ Giltinan trophy and decided that our Historic 18s would provide a very interesting backstory. Shirley was hosting the show whilst steering "Yendys" down the Harbour. Talk about multitasking!

We also caught the eye of renowned marine photographer Andrea Francolini who spent many Saturdays with us, which resulted in one of his images being considered for the Yachting Photo of the Year. Andrea also snapped some wonderful photos of all the skiff crews and the skippers. Andrea's work inspired Christophe Favreau, Thierry Martinez and Bruce Kerridge, who are also highly regarded and successful marine photographers. This interest resulted in our Historic 18s capturing a large amount of international exposure including a 12 page spread in an Italian sailing magazine. Our wooden girls are obviously very photogenic!

The Australian Titles were a great success with tactical, skilful racing and a fun social aspect to boot. We were very fortunate to have Terry and Kim McDell from NZ, steering Australia IV. They had Russell Bowler join them as well to help celebrate the 40th anniversary of their JJ Giltinan win. However the stay here was too short and the learning curve too high for them to be as competitive as they would have liked. Kim said there was unfinished business to attend to which I hope means that they will return for another tilt at the Galloping Ghost Trophy.

Our good friend and SFS member, Pakhtun Shah from San Francisco, made a welcome return to the helm of Australia, and with Willie Morrison and Perry Como on board had a very good regatta as well. Pakhtun sailed here in the 70s with his brother and campaigned

COMMODORE'S REPORT

the mighty Kentucky Fried Chicken skiff. I hear rumours that Pakhtun will be back for this years Australian Titles - great news as he is a gentleman and a fine sailor.

Harold Cudmore took over the helm of Yendys mid-December with the sole purpose of finally wresting John "Woody" Winnings's hands off the Galloping Ghost trophy. It was not to be after the abovementioned tiller incident, with a scorecard of 2-DNF-2 he finished 6th overall. Harold will be back in December to have another go!

Congratulations to John Winning and his crew for winning their second Australian Titles in a row on Aberdare. I'd also like to thank John for his generosity in allowing us to use his "Rippleside" and Grey RIB on Saturdays to supplement our Rescue fleet. We are in his debt.

Bob "Killo" Killick deserves special thanks for organising our international guests from courting them, preparing their skiffs and assembling crews on their behalf. Killo also ensures that all the AOST (Australian Open Skiff Trust) skiffs are in tip top condition.

All the skippers and crews of the skiffs deserve thanks for providing such a great spectacle on the Harbour, though we need more of them to ensure that all 11 skiffs are out every Saturday. Phil Barnett has recently taken over the Myra Too and will be actively campaigning her in the new season. This is great news.

John Winning mentioned recently that he would like to see the SFS takeover the stewardship of the AOST boats. This would be a great honour, privilege and responsibility for the SFS. It will require at least \$25,000 per annum in maintenance costs. This can be done but will require the involvement of all the SFS members both Social and Sailing to achieve.

I would like to thank all our tireless volunteers who provide safety, catering, and social events for our enjoyment: Janis and Bill Hughes, Stewart Wilkie, and Graeme Ferguson on the ferry; Adrienne and Peter Jackson on the Rippleside; Leasa and David Speck, Louise de Marco, Bill Loader, and Chuck Goodfellow on Killara II; Barley Stewart, Annie and Felix Finlay, and Anna Howard on the RIBs; and Dave who cooks up such tasty sausage sandwiches après skiffing. Thanks to all of you, we couldn't operate without your help!

COMMODORE'S REPORT

Captain Robert, Sean Langman and Rosman Ferries have also provided a wonderful service for members and guests. Thanks for going above and beyond every Saturday!

Coral Taylor has kindly accepted my request to be our Sailing Secretary, I've never seen such perfect minutes or felt so organised. Coral has also planned a training scheme (Sail Well Stay Well) to attract new sailors and volunteers to the club and, with the help of Louise de Marco, it will be a fantastic program. Coral was also able to secure Government funding to help with the costs.

The 12' skiffs raced on many Sundays during the season and were starting to attract 5-6 boats to the start line. Brett Hobson (their Class President) assures me that they will be more active in the 2015-16 season including the SFS hosting their Australian Titles next Easter.

This coming 2015-16 season will also commence our commemoration of the 125th anniversary of the founding of the Sydney Flying Squadron by Mark Foy. We have many exciting events to celebrate this milestone including the Opening of the Season on October 10th 2015. We would like all Social and Sailing members to join us on this day.

There are some changes to the handicapping and rating systems to be used by our Historic 18s and I would like to thank Ian Smith and Bob Chapman for crunching the numbers to ensure fair racing. I would also like to thank Bob for his well written, informative and entertaining sailing reports.

I have enjoyed the responsibility, privilege and proud heritage of the office of Commodore of the Sydney Flying Squadron and would like to continue in this role into our 125th season, members willing.

Michael Van Stom

Commodore – SFS.

Social Committee Report

The SFS Social Committee operates as an official Committee under the Articles of the Club and provides statements of finances regularly to the Board. Up to date spreadsheets are placed on the noticeboard in the bar area.

Funds raised by the Social Committee are derived from:

1. Selling raffle tickets on Thursday nights and Saturdays, during the sailing season.
2. Operation of a sailors BBQ, after sailing, during the season

The Social Committee wishes to thank Mary Donnelly who sold raffle tickets on Thursday nights, prior to Trivia, and various members who conducted Trivia sessions. Also thanks to those who took up the BBQ tongs on Saturdays after sailing. In particular, thanks to David Baker.

Bill Hughes continued, throughout the sailing season to assist Anita with the sale of refreshments on the Spectator Ferry.

Again John Stanley and Coral Taylor continued with their quest to complete the restoration of SFS photographs, trophies and memorabilia.

Members will have noted that a major project was undertaken to research the names that are listed on the SFS World War 1 Honor Roll. A group of Members began the tedious research. It has been extremely interesting to read the profiles that have been compiled and posted on the SFS email bulletin. Members can look forward to the proposed publication, in book form, of these magnificent soldier/sailors. Many thanks go to Veronica and Steve Scully and to Adrienne Jackson for their mammoth effort. The Social Committee has provided some funding to assist and will continue to do so.

Adrienne and Peter Jackson and Coral Taylor were successful with their efforts in securing grants that will support sailing and various projects within the SFS. Thank you, Adrienne, Peter and Coral.

The SFS will continue to charter a Rosman Ferry each week, throughout the sailing season. Thanks last season to Stewart Wilkie and Graeme (Fergie) Ferguson for commentary, food and refreshments Bill and Anita and again thanks to Ferry Master Robert Gordon. Bob Chapman continued with his brilliant Race Reports and record keeping. Thank you to Bob Chapman. Maureen Legrove kept the kettle boiling for cold and thirsty sailors, and Peter Notley continued with his weekly donation of biscuits. It is hoped that all SFS members

SOCIAL COMMITTEE REPORT

will take the opportunity to support and enjoy what is arguably the best Saturday afternoon entertainment out on our magnificent Sydney Harbour.

This year's Annual Presentation Night was highly successful. This was no surprise with Leasa Speck in charge, ably assisted by husband David and her crack team of "decoration hangers". Thank you to all volunteers and management who made this a memorable evening.

Between June 2014 and May 2015 funds raised have been used mainly for the following:

Printing costs – History – SFS Honor	\$ 152.00
Sailing Presentation Night	\$1,000.00
Skiff Starting Money (see below)	\$3,901.00

It was disappointing that the amount of money that was raised for the purpose of encouraging skiffs to start was significantly diminished, compared to last year, only half the amount of money was available for presentation to the Skippers.

The important issue of lack of Volunteers reflected not only on the skiff starters' money but also with the running of the Thursday evening raffle ticket selling. Volunteers have always been the backbone of the SFS throughout its 125 year history. It is sincerely hoped that new energy can be found within the SFS membership base.

Over recent events it has been also disappointing to observe few Social Members step up and take ownership. For 125 years the SFS has always had a Social Membership. This membership category has worked hand in hand with the sailors so that all can enjoy what the SFS has to offer.

To continue into the future the Sydney Flying Squadron asks Members to give of their time. There are many areas where Volunteers are needed. Sailors are needed to crew our magnificent skiffs and there is always the ever present need for Sponsorship!

Financial Statements 2014 - 2015

Director's Report

For the year ended 31 May 2015

Your directors present their report on the Sydney Flying Squadron Limited (the company) for the financial year ended 31 May 2015, and the auditor's report thereon.

Directors

The directors of the company at any time during or since the end of the financial year are:

Name and Qualifications	Age	Experience and Special Responsibilities
Jeremy Sharp Business Owner President Non Executive Director	65	Director since 20 November 2011 Resigned on 1 March 2015 Club Directors Institute (CDI) Member Committees: Building, Patton's
David Swales Health Services Director Vice President Non Executive Director	72	Director since 20 November 2011 Club Directors Institute (CDI) Member Committees: Building
Alan Robertson Advertising Executive Acting President Non Executive Director	68	Director since 20 November 2011 Club Directors Institute (CDI) Member Committees: Finance, Building, Patton's
Michael Van Stom Providore Acting Commodore Non Executive Director	53	Director since 29 September 2013 Club Directors Institute (CDI) Member Committees: Building
Felix Finlay Transport & Training Non Executive Director	48	Director since 29 September 2013 Club Directors Institute (CDI) Member Committees: Sailing
William Hughes Retired Treasurer Non Executive Director	72	Director since 29 September 2013 Club Directors Institute (CDI) Member Committees: Finance, Patton's
Peter Jackson Retired Public Servant Non Executive Director	63	Director since 16 September 2014 Club Directors Institute (CDI) Member Committees: Patton's, Sailing

FINANCIAL STATEMENTS 2014 - 2015

Directors' Meetings

During the year ended 31 May 2015, twelve (12) director's meetings were held where a quorum of five or more directors were present.

Name of Director	Number of Meetings eligible to attend during the year	Number of Meetings attended during the year
Jeremy Sharp	9	9
David Swales	11	11
Alan Robertson	11	11
Michael Van Stom	11	11
Felix Finlay	11	11
William Hughes	11	11
Peter Jackson	8	8

Subsidiary Company

The company controls its wholly owned subsidiary company, Patton's Slipways Pty Ltd (Patton's). The directors of the subsidiary company as at the date of this report are Alan Robertson, Jeremy Sharp, David Swales and Peter Jackson.

Operating Result

The profit/ (loss) of the company for the financial year after providing for income tax amounted to \$211,385 (2014: \$151,789).

Review of Operations

A review of the operations of the company during the financial year and the results of those operations are as follows:

The company continued its operations as a registered club during the whole of the financial year. The results of those operations are as disclosed in Operating Result above.

FINANCIAL STATEMENTS 2014 - 2015

Significant Changes in the State of Affairs

There were no significant changes in the State of Affairs of the company during the year.

Principal Activities

The principal activities of the company, and its subsidiary company, during the financial year were the conduct and promotion of a licensed social club for members, promotion and organisation of sailing races and a commercial property owner.

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

Post Balance Date Events

Since the end of the financial year there have been no circumstances or events which could significantly affect or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future years.

Future Developments

The company has entered into arrangements with a new caterer who will operate a restaurant and cafe from the club premises.

Environmental Issues

The company's operations are subject to significant environmental regulation under a law of the Commonwealth and/or of a State or Territory including:

Food Act 2003

Food Regulation 2004

Public Health Act 1991

Directors' Benefits

Since the end of the financial year, no Director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the accounts or received as the fixed salary of a full time employee of the company) by reason of a contract made by the Company or by a related corporation with the Directors or with a firm of which he is a member, or with a Company in which he has a substantial financial interest.

FINANCIAL STATEMENTS 2014 - 2015

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.

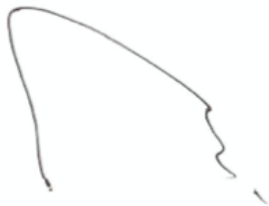
Proceedings on Behalf of Company

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:



Director: Alan Robertson

Dated this 7th day of August 2015



Director: Michael Van Stom

Dated this 7th day of August 2015

Auditor's Independence Declaration

ROBERTSON & GREENWOOD CHARTERED ACCOUNTANTS

MATHEW GEORGE

IAN ROBERTSON
CONSULTANT

The Board of Directors
Sydney Flying Squadron Limited
76 McDougall Street
MILSONS POINT NSW 2061

Dear Sir/Madam

RE: SYDNEY FLYING SQUADRON LIMITED

**Auditor's Independence Declaration
Under Section 307C of The Corporations Act 2001**

As auditor for Sydney Flying Squadron Limited for the year ended 31 May 2011 I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the independence requirements of 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.

ROBERTSON & GREENWOOD
Chartered Accountants



MATHEW GEORGE

Baulkham Hills, NSW
19 July 2011

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Baulkham Hills BC NSW 2153

PSC: Liability is limited by a Scheme approved under
Professional Standards Legislation
Telephone: 9680 8600
Facsimile: 9680 9755
Email: admin@randg.com.au

Income Statement

FINANCIAL STATEMENTS 2014 - 2015

For the year ended 31 May 2015

By function	Notes	Parent Entity (Club)	
		2015	2014
		\$	\$
Sales Revenue		567,033	606,596
Cost of sales		(191,472)	(204,589)
Gross profit		375,561	402,007
Other revenue		547,278	511,517
Total revenue		922,839	913,524
Administration expenses		(24,740)	(19,538)
Finance costs		(19,613)	(39,047)
Other expenses from ordinary activities		(667,101)	(703,150)
		(711,454)	(761,735)
Profit/(Loss) before tax	2	211,385	151,789
Income tax expense	3	-	-
Profit/ (Loss) attributable to members of the entity		211,385	151,789

FINANCIAL STATEMENTS 2014 - 2015

Balance Sheet

As at 31 May 2015

		Economic Entity (Club & Pattons)		Parent Entity (Club)	
	Note	2015	2014	2015	2014
		\$	\$	\$	\$
Current assets					
Cash and cash equivalents	4	73,045	65,378	58,355	62,918
Trade and other receivables	5	19,482	-	19,482	-
Inventories	6	14,147	12,656	14,147	12,656
Other current assets	7	11,725	19,683	-	2,405
Total current assets		118,399	97,717	91,984	77,979
Non-current assets					
Property, plant and equipment	8	3,315,448	3,336,629	283,120	301,931
Other Financial Assets	9	-	-	3,014,671	3,014,671
Total non-current assets		3,315,448	3,336,629	3,297,791	3,316,602
Total assets		3,433,847	3,434,346	3,389,775	3,394,581
Current liabilities					
Trade and other payables	10	64,757	79,886	64,745	64,000
Short-term borrowings	11	-	-	-	-
Current tax liabilities	12	23,930	22,967	33,912	26,228
Provisions	13	40,755	24,850	38,996	24,850
Total current liabilities		129,442	127,703	137,653	115,078
Non-current liabilities					
Long- term borrowings	11	189,084	409,212	213,989	452,755
Total non-current liabilities		189,084	409,212	213,989	452,755
Total liabilities		318,526	536,915	351,642	567,833
Net assets		3,115,321	2,897,431	3,038,133	2,826,748
Equity	14				
Reserves	15	2,943,551	2,943,551	3,032,358	3,032,358
Retained earnings		171,771	(46,120)	5,775	(205,610)
Total equity		3,115,321	2,897,431	3,038,133	2,826,748

FINANCIAL STATEMENTS 2014 - 2015

Statement of Changes in Equity

For year ended 31 May 2014

	Note	Parent Entity (Club) Retained Earnings	Asset Revaluation Reserve	General Reserve	Total
		\$	\$	\$	\$
Balance at 1 June 2013		(357,399)	3,000,000	32,358	2,674,959
Profit/(Loss) attributable to members		151,789	-	-	151,789
Revaluation increment/(decrement)		-	-	-	-
Sub-total		151,789	-	-	151,789
Balance at 31 May 2014	15	(205,610)	3,000,000	32,358	2,826,748

For the year ended 31 May 2015

	Note	Parent Entity (Club) Retained Earnings	Asset Revaluation Reserve	General Reserve	Total
		\$	\$	\$	\$
Balance at 1 June 2014		(205,610)	3,000,000	32,358	2,826,748
Profit/(Loss) attributable to members		211,385	-	-	211,385
Revaluation increment/(decrement)		-	-	-	-
Sub-total		211,385	-	-	211,385
Balance at 31 May 2015	15	5,775	3,000,000	32,358	3,038,133

FINANCIAL STATEMENTS 2014 - 2015

Statement of Changes in Equity (cont.)

For year ended 31 May 2014

	Note	Economic Entity (Club & Pattons) Retained Earnings	Asset Revaluation Reserve	General Reserve	Total
		\$	\$	\$	\$
Balance at 1 June 2013		(200,990)	2,911,193	32,358	2,742,561
Profit/(Loss) attributable to members		154,870	-	-	154,870
Revaluation increment/(decrement)		-		-	
Sub-total		154,870		-	154,870
Balance at 31 May 2014	15	(46,120)	2,911,193	32,358	2,897,431

For the year ended 31 May 2015

	Note	Economic Entity (Club & Pattons) Retained Earnings	Asset Revaluation Reserve	General Reserve	Total
		\$	\$	\$	\$
Balance at 1 June 2014		(46,120)	2,911,193	32,358	2,897,431
Profit/(Loss) attributable to members		217,890	-	-	217,890
Revaluation increment/(decrement)		-	-	-	
Sub-total		217,890	-	-	217,890
Balance at 31 May 2015	15	171,770	2,911,193	32,358	3,115,321

FINANCIAL STATEMENTS 2014 - 2015

Cash Flow Statement

For the year ended 31 May 2015

		Economic Entity (Club & Pattons)	
	Notes	2015	2014
		\$	\$
Cash flows from operating activities			
Receipts from customers		1,279,183	1,380,943
Payments to suppliers and employees		(1,132,022)	(1,203,925)
Interest received		9,241	19,171
Other receipts		95,549	6,253
Income tax paid		-	(2,256)
Net cash provided by (used in) operating activities	18	251,951	200,186
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	-
Payment for property, plant and equipment		(24,156)	(93,515)
Net cash provided by (used in) investing activities		(24,156)	(93,515)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		(220,128)	(140,368)
Net cash provided by (used in) financing activities		(220,128)	(140,368)
Net increase/(decrease) in cash held		7,667	(33,697)
Cash at beginning of year		65,378	99,075
Cash at end of year	4	73,045	65,378

Notes to Financial Statements

Note 1: Statement of significant accounting policies

The financial report is a general purpose financial report prepared to satisfy the financial report preparation requirements of the Corporations Act 2001. The directors have determined that the company is a reporting entity.

Sydney Flying Squadron Limited is a company limited by guarantee, incorporated and domiciled in Australia.

Basis of preparation

The report has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards

The financial report was authorised for issue on 12th August 2015 by the board of directors.

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.

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.

Note 1: Statement of significant accounting policies (cont.)

Accounting policies

a. Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or substantially enacted at the balance 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, excluding a business combination, 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 company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

b. Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is assigned on an average cost basis and includes supplier's invoice price, import duties, shipping charges, insurance and other acquisition costs where applicable and bringing them to their existing condition and location.

Note 1: Statement of significant accounting policies (cont.)

c. Property, plant and equipment

Each class of property, plant and equipment is carried at cost or directors' valuation less, where applicable, any accumulated depreciation.

(i) Property

Freehold land and buildings are carried at directors' valuation.

(ii) 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 those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

(iii) Depreciation

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a diminishing value basis over their useful lives to the company commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Buildings and Leasehold Improvements	2.5%
Plant and equipment	7.5% - 15%
Computers	25% - 40%
Other plant and equipment	7.5% - 15%

The useful lives and residual values of assets are reviewed, and adjusted if appropriate, at each balance sheet date.

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of assets are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

Note 1: Statement of significant accounting policies (cont.)

d. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and benefits incidental to the ownership of the leased asset, but not the legal ownership, to the lessee. All other leases are treated as operating leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

e. Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. 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, plus related on-costs. 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.

f. Investments in Associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognises the company's share of post-acquisition reserves of its associates.

g. 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 benefits will result and that outflow can be reliably measured.

h. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts, if any, are shown within short-term borrowings in current liabilities on the balance sheet.

FINANCIAL STATEMENTS 2014 - 2015

Note 1: Statement of significant accounting policies (cont.)

i. Revenue

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

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

j. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

k. Impairment of assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of its fair value less costs to sell and its value in use, is compared to the carrying value of the asset. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

l. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the 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.

m. Comparative figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

Note 1: Statement of significant accounting policies (cont.)

FINANCIAL STATEMENTS 2014 - 2015

n. Critical accounting estimates and judgments

In application of the company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may vary from these estimates. The estimates and assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or the period of revision and future periods if the revision affects both current and future periods.

Note 2: Profit from ordinary activities

	Economic Entity (Club & Pattons)		Parent Entity (Club)	
	2015	2014	2015	2014
	\$	\$	\$	\$
Profit/(Loss) from ordinary activities before income tax has been determined after				
a Expenses				
Depreciation of property, plant and equipment	42,549	37,086	38,728	35,883
Borrowing costs	-	633	-	633
Remuneration of auditor - audit	8,000	8,000	5,400	5,400
b Revenue and net gains				
Membership Fees	70,960	70,737	70,960	70,737
Commissions	530	516	530	516
Rebates/Subsidies	504	6,253	504	6,253
Net gain/(loss) on disposal of property, plant and equipment	95,045	(2,324)	95,045	(2,324)

FINANCIAL STATEMENTS 2014 - 2015

Note 3: Income tax expense

Income tax expense	2,788	1,321	-	-
	2,788	1,321	-	-

Note 4: Cash Assets

	Economic Entity (Club & Pattons)		Parent Entity (Club)	
	2015	2014	2015	2014
	\$	\$	\$	\$
Cash on hand and at bank	73,045	65,378	58,355	62,918
	73,045	65,378	58,355	62,918

a. Reconciliation of cash

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

Cash and cash equivalents	73,045	65,378	58,355	62,918
	73,045	65,378	58,355	62,918

Note 5: Receivables

Current Trade receivables	19,482	-	19,482	-
	19,482	-	19,482	-

Note 6: Inventories

Current Raw materials and stores at cost On Hand	14,147	12,656	14,147	12,656
	14,147	12,656	14,147	12,656

FINANCIAL STATEMENTS 2014 - 2015

Note 7: Other current assets

Current				
Prepayments and other receivables	11,725	19,683	-	2,405
	<u>11,725</u>	<u>19,683</u>	<u>-</u>	<u>2,405</u>

Note 8: Property, plant and equipment

	Economic Entity (Club & Pattons)		Parent Entity (Club)	
	2015	2014	2015	2014
	\$	\$	\$	\$
Land and buildings				
Freehold land and buildings at:				
- directors' valuation 2013	3,000,000	3,000,000	-	-
Total land and buildings	<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>	<u>-</u>
Leasehold improvements at:				
- cost	671,915	648,858	657,425	637,508
Less accumulated depreciation	(442,283)	(413,009)	(440,654)	(412,761)
Total leasehold improvements	<u>229,632</u>	<u>235,849</u>	<u>216,771</u>	<u>224,747</u>
Plant and equipment				
Plant and equipment at cost	524,454	526,144	489,936	489,936
Less accumulated depreciation	(447,158)	(435,762)	(428,088)	(418,422)
Total Plant & equipment	<u>77,296</u>	<u>90,382</u>	<u>61,848</u>	<u>71,514</u>
Poker machines				
- cost	-	-	-	-
Less accumulated depreciation	-	-	-	-
Total Poker machines	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Furniture & Fittings				
- cost	109,719	109,719	12,674	12,674
Less accumulated depreciation	(103,824)	(102,409)	(8,173)	(7,004)
Total Furniture & Fittings	<u>5,895</u>	<u>7,310</u>	<u>4,501</u>	<u>5,670</u>
Motor boats				
- cost	61,665	61,665	-	-
Less accumulated depreciation	(59,040)	(58,577)	-	-
Total Motor boats	<u>2,625</u>	<u>3,088</u>	<u>-</u>	<u>-</u>
Total property, plant and equipment	<u>3,315,448</u>	<u>3,336,629</u>	<u>283,120</u>	<u>301,931</u>

FINANCIAL STATEMENTS 2014 - 2015

Note 9: Investments

- (i) The basis of valuation of the company's investment in its subsidiary company was fair market value as determined by the directors in the year ended 31 May 2013. This determination was made having regard to an independent report by Australia Pacific PCS Pty Ltd , Property Consultants & Valuers dated 31 May 2013.
- (ii) The revaluation was made in accordance with a policy of regular revaluation by the directors to reflect the market value of its investments.
- (iii) The revaluation does not take into account the potential impact of capital gains tax on the grounds that such asset (and the subsidiary's underlying asset) was acquired before the introduction of tax on capital gains. The investment and the underlying asset of the subsidiary are integral to the company's operations and there is no intention to sell either of the assets. If the assets were sold at the revaluation amount no capital gains tax liability would arise.

Note 10: Payables

	Economic Entity (Club & Pattons)		Parent Entity (Club)	
	2015	2014	2015	2014
	\$	\$	\$	\$
Current				
Trade payables	24,033	44,845	24,021	28,9591
PAYG Withholding Payable	2,635	-	2,635	-
Sundry payables and accrued expenses	38,089	35,041	38,089	35,041
	<u>64,757</u>	<u>79,886</u>	<u>64,745</u>	<u>64,000</u>

FINANCIAL STATEMENTS 2014 - 2015

Note 11: Borrowings

Current				
Bank overdraft – secured	-	-	-	-
Hire purchase liability	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Non-current				
Other persons – secured	189,084	409,212	189,084	409,212
Other persons - unsecured	-	-	24,905	43,543
	<hr/>	<hr/>	<hr/>	<hr/>
	189,084	409,212	213,989	452,755
Total current and non-current secured liabilities:				
Bank overdraft	-	-	-	-
Other persons	189,084	409,212	189,084	409,212
	<hr/>	<hr/>	<hr/>	<hr/>
	189,084	409,212	189,084	409,212

The loan facilities are secured by an Equitable Mortgage over all of the company's assets.

Note 12: Current Tax Liabilities

	Economic Entity (Club & Pattons)		Parent Entity (Club)	
	2015	2014	2015	2014
	\$	\$	\$	\$
GST payable	23,930	22,967	33,912	26,228
	<hr/>	<hr/>	<hr/>	<hr/>
	23,930	22,967	33,912	26,228

Note 13: Provisions

Current				
Employee benefits	38,996	24,850	38,996	24,850
Taxation	1,759	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	40,755	24,850	38,996	24,850

Note 14: Equity

a. Capital

The company is limited by guarantee and as such there is no issued capital

FINANCIAL STATEMENTS 2014 - 2015

Note 15: Reserves

a. General Reserve

Victor Everson Trust	32,358	32,358	32,358	32,358
----------------------	--------	--------	--------	--------

The general reserve was used in prior years to record amounts set aside to fund the future expansion of the company

b. Asset Revaluation Reserve

The asset revaluation reserve records revaluations of non-current assets

2,911,193	2,911,193	3,000,000	3,000,000
2,943,551	2,943,551	3,032,358	3,032,358

Note 16: Events after the balance sheet date

There were no significant events after the balance sheet date.

Note 17: Contingent liabilities

	Economic Entity (Club & Pattons)		Parent Entity (Club)	
	2015	2014	2015	2014
	\$	\$	\$	\$
Estimates of the potential financial effect of contingent liabilities that may become payable:				
- Bank guarantees	832,050	832,050	832,050	832,050

FINANCIAL STATEMENTS 2014 - 2015

Note 18: Cash flow information

	Economic Entity (Club & Pattons)	
	2015	2014
	\$	\$
Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax		
Profit/(Loss) from ordinary activities after income tax	220,678	156,191
Non-cash flows in profit from ordinary activities		
Depreciation	42,549	37,086
Net (gains)/losses on disposal of plant and equipment	-	-
(Increase) Decrease in Assets		
Trade and Other Receivables	-	-
Inventories	(1,491)	1,267
Other assets	(11,524)	9,076
Increase (Decrease) in Liabilities		
Trade and other payables	(15,129)	(19,446)
Provisions	15,905	5,903
Other liabilities	963	10,109
Cash Flows from operations	251,951	200,186

Note 19: New accounting standards and accounting interpretations

There have been new Australian Accounting Standards and Australian Accounting Interpretations issued or amended that are applicable to the company but are not yet effective. The company's assessment of the impact of these new standards and interpretations has been completed with no material effect on the company's financial report. They have not been adopted in the preparation of the financial report at the reporting date.

Note 20: Commitment for Capital Expenditure

Since balance date the company has not entered into any commitments for capital expenditure.

Note 21: Company details

The registered office and principal place of business of the company is:
 Sydney Flying Squadron Limited
 76 McDougall Street
 MILSONS POINT NSW 2061

FINANCIAL STATEMENTS 2014 - 2015

Directors' declaration

The directors have determined that the company is a reporting entity and that this general purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, as set out in pages 5 to 19 are in accordance with the Corporations Act 2001 and:

- a. comply with Accounting Standards and the Corporations Regulations 2001; and
- b. give a true and fair view of the company's financial position as at 31 May 2015 and of its performance for the year ended on that.

2. In the opinion of the directors there are reasonable grounds, at the date of this statement, to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Director: Alan Robertson

Dated this 7th day of August 2015



Director: Michael Van Stom

Dated this 7th day of August 2015

Audit Report

ROBERTSON & GREENWOOD

CHARTERED ACCOUNTANTS

MATHEW GEORGE

IAN ROBERTSON
CONSULTANT

Independent Auditor's Report To the Members of Sydney Flying Squadron Limited

Scope

We have audited the financial report, being the Directors Declaration, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Notes to the Financial Statements of Sydney Flying Squadron Limited for the financial year ended 31 May 2011.

The company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements so as to present a view which is consistent with our understanding of the company's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Independence

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration has not changed as at the date of providing our audit opinion.

Audit opinion

In our opinion, the financial report of Sydney Flying Squadron Limited for the year ended 31 May 2011 is in accordance with:

1. the Corporations Act 2001 so as to:
 - (a) give a true and fair view of the entity's financial position as at 31 May 2011 and of its performance for the year ended on that date; and
 - (b) comply with Accounting Standards and the Corporations Regulations; and
2. other mandatory professional reporting requirements.

Dated this 19th day of July, 2011

Mathew George
Registered Company Auditor



Robertson & Greenwood
Chartered Accountants

Suite 211, 12 Century Circuit
"Norwest Central"
Baulkham Hills NSW 2153
P.O. Box 8312
Baulkham Hills BC NSW 2153

PSC: Liability is limited by a Scheme approved under
Professional Standards Legislation
Telephone: 9680 8600
Facsimile: 9680 9755
Email: admin@randg.com.au

FINANCIAL STATEMENTS 2014 - 2015

SYDNEY FLYING SQUADRON LIMITED
(ACN 000 487 230)
PROFIT & LOSS STATEMENT
FOR THE YEAR ENDED 31 MAY 2015

	2015	2014
	\$	\$
Trading Income		
Bar Sales	567,033	606,596
Functions & Supplies	2,218	5,008
Total Trading Income	569,251	611,604
Less: Cost of Sales		
Opening Finished Goods	12,656	13,923
Cost of Bar Sales	192,963	203,322
	205,619	217,245
Less:		
Closing Finished Goods	14,147	12,656
Cost of Sales	191,472	204,589
Gross Profit from Trading	377,779	407,015

FINANCIAL STATEMENTS 2014 - 2015

SYDNEY FLYING SQUADRON LIMITED
(ACN 000 487 230)
PROFIT & LOSS STATEMENT
FOR THE YEAR ENDED 31 MAY 2015

	2015	2014
	\$	\$
Income		
Gross Profit from Trading	377,779	407,015
Poker Machine	-	6,929
Commissions Received	530	516
Management Fees	145,000	145,000
Interest Received	9,240	19,160
Membership Fees	70,960	70,737
Rebates	504	6,253
Social Committee	22,429	27,487
Ferry Ticket Sales	18,731	19,689
Club Events	25,416	48,734
Merchandise	3,686	1,588
Donations	-	8,230
Kitchen Sales	153,519	152,186
Sale Poker Machine Entitlements	95,045	-
Total income	922,839	913,524
Expenses		
Accountancy	17,910	13,750
Advertising and Promotion	2,726	4,901
Audit Fees	5,400	5,400
Bad Debts	14	76
Bank Fees And Charges	8,991	14,640
Bar & Kitchen Requisites	5,249	8,174
Borrowing Costs	-	633
Cleaning & Rubbish Removal	53,381	51,216
Consultants Fees	250	5,834
Computer	1,166	3,034
Depreciation & Amortisation	38,728	35,883
Donations	110	6,005
Electricity & Gas	43,201	42,586
Event & Function	20,530	39,918
Ferry	1,491	2,054
Hire of Plant & Equipment	3,600	3,600
Insurance	43,260	40,376
Interest	19,613	39,047

FINANCIAL STATEMENTS 2014 - 2015

SYDNEY FLYING SQUADRON LIMITED
(ACN 000 487 230)
PROFIT & LOSS STATEMENT
FOR THE YEAR ENDED 31 MAY 2015

	2015	2014
	\$	\$
Expenses (continued)		
Legal Fees	1,430	388
Loss on Write off Asset	-	2,324
Membership Expenses	14,120	15,013
Pest Control	2,412	2,170
Poker Machine	-	4,419
Postage	3,156	6,280
Printing & Stationery	11,169	12,326
Rates & Land Taxes	12,302	13,105
Rent on Land & Buildings & Rates	34,888	26,985
Repairs & Maintenance	24,806	45,269
Sailing Promotion & Expenses	51,867	49,668
Security	1,221	1,085
Social Committee Expenses	13,977	19,714
Staff Amenities	2,019	361
Subscriptions & Licenses	3,618	4,006
Superannuation	70,430	33,482
Telephone	8,066	8,049
Trivia	8,287	8,444
Wages	155,587	178,210
Annual Leave & Long Service Leave	26,479	13,310
Total Expenses	711,454	761,735
Profit (Loss) from Ordinary Activities		
Before Income Tax	211,385	151,789

FINANCIAL STATEMENTS 2014 - 2015

SYDNEY FLYING SQUADRON LIMITED COMPILATION REPORT FOR THE YEAR ENDED 31 MAY 2015

We have compiled the accompanying financial report of Sydney Flying Squadron Limited, which comprises the balance sheet as at 31 May 2015, profit and loss account for the year then ended, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the financial report has been prepared is set out in Note 1 to the financial report.

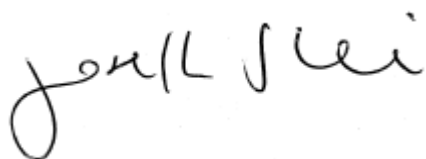
The Directors of Sydney Flying Squadron Limited are solely responsible for the information contained in the financial report and have determined that the basis of accounting used in Note 1 to the financial report is appropriate to meet their needs and for the purpose that the financial report was prepared.

On the basis of information provided by the directors of Sydney Flying Squadron Limited, we have compiled the accompanying financial report in accordance with the basis of accounting in Note 1 to the financial report and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Directors provided, in compiling the financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The financial report was compiled exclusively for the benefit of the Directors of Sydney Flying Squadron Limited. We do not accept responsibility to any other person for the contents of the financial report.

Joseph Shamia & Co.
Chartered Accountants
Suite 1
307-317 Condamine Street
Manly Vale NSW 2093



7th day of August 2015

FINANCIAL STATEMENTS 2014 - 2015

PATTON'S SLIPWAYS PTY LTD
(A.C.N. 000 070 271)
PROFIT & LOSS STATEMENT
FOR THE YEAR ENDED 31 MAY 2015

	2015	2014
	\$	\$
Income		
Interest Received	1	11
Rents Received	269,661	288,243
Total Income	269,662	288,254
Expenses		
Audit Fees	2,600	2,600
Bank Fees And Charges	180	120
Consultants	5,500	-
Depreciation – Plant	3,357	658
Depreciation – Motor Boats	464	545
Filing Fees	317	236
Insurance	33,428	8,551
Interest	9,240	19,161
Legal Fees	168	2,562
Management Fees	145,000	145,000
Rates & Land Taxes	24,154	25,203
Rent – Waterways	19,082	18,944
Registration & License Fees	413	2,725
Repairs & Maintenance	16,466	57,546
Total Expenses	260,369	283,851
Profit (Loss) from Ordinary Activities		
Before Income Tax	9,293	4,403

FINANCIAL STATEMENTS 2014 - 2015

PATTON'S SLIPWAYS PTY LTD COMPILATION REPORT FOR THE YEAR ENDED 31 MAY 2015

We have compiled the accompanying financial report of Patton's Slipways Pty Ltd, which comprises the balance sheet as at 31 May 2015, profit and loss account for the year then ended, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the financial report has been prepared is set out in Note 1 to the financial report.

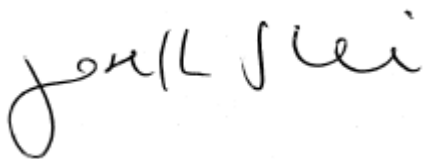
The Directors of Patton's Slipways Pty Ltd are solely responsible for the information contained in the financial report and have determined that the basis of accounting used in Note 1 to the financial report is appropriate to meet their needs and for the purpose that the financial report was prepared.

On the basis of information provided by the directors of Patton's Slipways Pty Ltd, we have compiled the accompanying financial report in accordance with the basis of accounting in Note 1 to the financial report and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Directors provided, in compiling the financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The financial report was compiled exclusively for the benefit of the Directors of Patton's Slipways Pty Ltd. We do not accept responsibility to any other person for the contents of the financial report.

Joseph Shamia & Co.
Chartered Accountants
Suite 1
307-317 Condamine Street
Manly Vale NSW 2093



7th day of August 2015

FINANCIAL STATEMENTS 2014 - 2015

Registered Clubs Act Disclosures

Registered Clubs Regulations 1996 (the Regulations)

Provision of Information to Members

For the year ended 31 May 2015

Regulation 47HA(2)

- (a) The Club (Sydney Flying Squadron Limited and its controlled entity) did not receive any Declarations, returns or disclosures.
- (b) Number of Executives of the Club who received salary and allowances in excess of \$100,000.
- | Range | Number |
|-----------------------|--------|
| \$100,000 - \$110,000 | Nil |
- (c) No Board Member, Executive or other persons undertook any overseas travel connected with the Club business.
- (d) No loans were made to any employees during the year.
- (e) No contracts were entered into during the year to which Section 41 M of the Registered Clubs Act 1976 applies
- (f) No employee was a close relative of any member of the governing body of the Club or of a top executive of the Club.
- (g) No consulting fees equal to or more than \$30,000 were paid by the Club.
- (h) The total amount paid to consultants was \$5,750.
- (i) No settlements of legal disputes were entered into with a member of the governing body or an employee of the club.
- (j) No legal fees were paid on behalf of a member of the governing body or an employee of the club.
- (k) Gaming machine profits from the operation of approved gaming machines in the club were \$nil during the reporting period ended 31 May 2015.
- (l) No amounts were applied to community development and support under Part 4 of the Gaming Machine Tax Act 2001.

Registered Clubs Act 1976

Section 41J (2)

The Core Property of the registered club is:

- the leasehold premises of the club at 76 McDougall Street, Milsons Point NSW 2061