



YARRA BAY 16' SKIFF SAILING CLUB LTD

ABN 72 000 583 693

ANNUAL REPORT 2019

YARRA BAY 16' SKIFF SAILING CLUB LIMITED
A.C.N. 000 583 693
(A Company Limited by Guarantee)

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DIRECTORS

Patrons

Michael Daley MP

Keith McCraw

Matt Thistlethwaite MP

President

Barry Wallace

Treasurer

Lynne Wallace

Vice-President

Ronald Saville

Directors

Stephen Burley (Sailing Director)

Gregory Fox

Philip Jenkinson

Nicole Rennie

Honorary Secretary

Barry Wallace

Auditor

W A Fitzpatrick – Fitzpatrick Group

Life Members

Brian Beer

Jack Cook

John Coy

Rick Dunlop

Kevin Hurst

Philip Jenkinson

Bruce Wallace

YARRA BAY 16' SKIFF SAILING CLUB LIMITED
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NOTICE OF ANNUAL GENERAL MEETING
Sunday 22nd September 2019 at 10.00 am
at
Yarra Bay 16ft Skiff Sailing Club Limited

Doors close at 10 am sharp. Only financial members of the Club are entitled to attend this meeting. Members must have renewed their membership by 15th September 2019.

CURRENT MEMBERSHIP CARDS MUST BE SHOWN TO GAIN ADMISSION TO THE MEETING.

AGENDA

- 1 To confirm the Minutes of the 2018 Annual General Meeting
2. To receive and consider the 2019 Annual Report of the Board of Directors.
3. To receive and consider the Statement of Comprehensive Income and the Statement of Financial Position for the year ended 30th April 2019 and the Auditor's Report.
4. To receive the President's Statement.
5. To elect a Board of Directors.
6. Resolutions of the Board of Directors
 - 1 to approve spending by the Club for the directors, not exceeding \$10,600 for food and a beverage before or after a meeting, for travel to and from directors' meetings or for the entertainment of special guests at the club until the next AGM.
 2. to approve spending by the Club not exceeding \$15,000 for the professional development and education of directors until the next AGM.
- 3 To approve annual honorariums for the following board members:
 - (a) President - Barry Wallace \$15,000
 - (b) Treasurer - Lynne Wallace \$15,000until the next AGM.
7. To consider nomination for Life membership accepted at the 21st August 2019 board meeting.
8. To deal with any other business of which due notice has been given.

DIRECTORS' NOMINATION FORMS CAN NOW BE OBTAINED FROM THE CLUB and MUST BE RETURNED TO THE DUTY MANAGER BY 5PM ON 8 SEPTEMBER 2019.

Any questions in respect to the financial statements are required to be put in writing to the Manager at least 14 days prior to the date of the Annual General Meeting.

The Club opens at 9.00 (no service)
The Club closes at 10.00am for the AGM
All club services resume after the meeting.

YARRA BAY 16' SKIFF SAILING CLUB LIMITED
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President's Report

Once again, 2018 -2019 has been another productive year for Yarra Bay 16ft Skiff Sailing Club. We have a new website (same web address – www.yarrabaysailingclub.com.au) which makes it easier to book functions and the restaurant. We've had fewer renovations this year but we're still discussing refurbishments i.e. furniture and carpet for the poker machine areas and the lounge bar. We've updated five of our 24 poker machines and installed a new payout system with Ticket In Ticket Out, which makes it easier for players to transfer from one machine to another and to claim a win.

There's been no further information released regarding the proposed cruise ship terminal in Yarra Bay. A business case was due out at the end of 2018 but still has not been released. A cruise ship terminal would impact anyone living close to Yarra Bay. People would be able to see, hear and smell the ships, as they don't turn their motors off when in port. Anyone living between Yarra Bay and the city will also be affected by the 100 or more buses per boat (there will be provision for two boats) travelling to and from the city during peak hour.

I'd like to thank our hardworking staff – Sid, Matt, Tracie, China, Alex, Chantelle, Dean, Jordann, Jack, Josie, Mackenzie, Lisa, Geoff and Jim and back of house staff Antoinette, Milica and Bob. The Board of Directors have stepped up with advice and decisions regarding refurbishments. A special thank you to our newest director Greg Fox, who has spent many hours each month co-ordinating a team of advisers. Many thanks to our great helpers – Kevin, John, Peter, Brian and Bear. They save me many hours of work and the Club quite a few dollars. Thank you also to our patrons, Michael Daley, Keith McCraw, and Matt Thistlethwaite for your valuable advice and service.

Many thanks to Yianni and his team for their consistent hard work and delicious meals.

Barry Wallace
President & Honorary Secretary/Manager

Sailing Director's Report

The 2018 -19 sailing season was very successful with the number of junior sailors in the Learn to Sail program down on last season. However they all progressed well with a significant number going into the racing fleet.

The racing BIC class sailed well with Yarra Bay taking out the first five positions in the silver fleet in the Kurnell Cup at Kurnell Catamaran Club.

The Adult Learn to Sail program also went from strength to strength with six sailors progressing to the afternoon racing fleet.

Congratulations to Wendell Wait on being the 2018-2019 Club champion with Les Davison the runner up. The pointscore was won by myself with Les Davison runner up.

The 2019 – 2020 sailing season commences on 15 September with new sailors commencing on 13th October.

Volunteers are most welcome as any assistance would be greatly appreciated.

Stephen Burley
Sailing Director

YARRA BAY 16' SKIFF SAILING CLUB LIMITED
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FINANCIAL STATEMENTS – 30 APRIL 2019

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YARRA BAY 16' SKIFF SAILING CLUB LIMITED
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DIRECTORS' REPORT

Your Directors present their report on the Financial Reports of the Company for the year ended 30 April 2019.

DIRECTOR DETAILS

The Directors in Office at the date of this report and at any time during the year were: -

Name	Years of Service	Qualifications, Experience and Special Responsibilities
Barry James Wallace	9	President Retired Fire fighter and Electrical Contractor Rear Commodore
Peter Brodie (resigned 23 September 2018)	7	Licensed Plumber
Ronald Saville	5	Vice President Retired Butcher
Lynne Wallace BComm (UNSW) Grad Cert Mathematics (CSU)	5	Treasurer Retired Teacher
Stephen Burley	4	Sailing Director Truck Driver
Philip Jenkinson	2	Retired Senior Field Support Officer Commodore (26 years)
Nicole Rennie BNursing (UTS)	1	Nursing Unit Manager (Operating Theatres)
Gregory Fox (appointed 23 September 2018)	-	Building Project Manager

YARRA BAY 16' SKIFF SAILING CLUB LIMITED

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DIRECTOR MEETINGS

The number of directors' meetings attended by each of the directors of the company during the financial year are as follows:

Director	Board Meetings	
	Number of Meetings Attended	Number of Meetings Held*
Barry James Wallace	12	12
Peter Brodie	2	4
Ronald Saville	12	12
Lynne Wallace	12	12
Stephen Burley	11	12
Philip Jenkinson	11	12
Nicole Rennie	11	12
Gregory Fox	8	8

*Number of meetings held indicates the number of meetings held during the individual's tenure as a director

MEMBERS

The number of Members of the Company registered in the Register of Members at the date of this report is:

	2019	2018
Life Members	7	7
Junior Members	22	36
Ordinary Members	1,835	1,693
Honorary Members	3	3
TOTAL	1,867	1,739

MEMBERS' LIMITED LIABILITY

In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$20 per member in the event of the winding up of the company during the time that he/she is a member or within one year thereafter. The total liability in the event of winding up is \$37,340 (2018: \$34,780).

SHORT TERM OBJECTIVES OF THE ORGANISATION

- To promote the sport of sailing

LONG TERM OBJECTIVES OF THE ORGANISATION

- To promote the sport of sailing

STRATEGY FOR ACHIEVING THE OBJECTIVES

- To provide members with the opportunity to acquire the skills of sailing
- To provide a meeting place for members and their guests
- To provide the necessary infrastructure for sailing
- To promote the club to the community in both social and sailing activities

PRINCIPAL ACTIVITIES

Operations of a sporting club with a focus on 16ft skiff sailing activities.

There were no significant changes in the nature of the activities of the company during the year.

HOW THE PRINCIPAL ACTIVITIES ASSIST IN ACHIEVING THE OBJECTIVES

When available, net profits are applied towards the sailing activities of the club and the promotion and encouragement of the sport of sailing

PERFORMANCE MEASUREMENT AND KEY PERFORMANCE INDICATORS

Performance is measured and reviewed regularly. The key performance indicators include net profit, gross margins and liquidity ratios.

AUDITORS INDEPENDENCE DECLARATION

The auditor's independence declaration has been received and appears on page 27 of the financial report.

YARRA BAY 16' SKIFF SAILING CLUB LIMITED

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DIRECTORS DECLARATION

The directors of Yarra Bay 16ft Skiff Sailing Club Limited declare that:

- a) In the Directors' opinion the financial statements and the notes set out on pages 5 to 26 are in accordance with the Corporations Act 2001, including:
 - a. Giving a true and fair view of the company's financial position as at 30 April 2019 and of its performance, for the financial year ended on that date; and
 - b. Complying with Australian Accounting Standards – Reduced Disclosure Requirements and Corporations Regulations 2001.
- b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

**Dated at Yarra Bay this 7th day of August 2019
in accordance with a resolution of the Directors**

.....
BARRY JAMES WALLACE-PRESIDENT

.....
LYNNE WALLACE-TREASURER

YARRA BAY 16' SKIFF SAILING CLUB LIMITED
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2019

	Notes	2019 \$	2018 \$
Revenue from continuing operations			
Sale of Goods		1,025,221	1,000,199
Rendering of Services		386,941	460,018
Other Revenue		68,705	66,114
Total Revenue	5	1,480,867	1,526,331
Expenses			
Cost of Sales		(391,121)	(378,999)
Employee Benefits Expenses		(379,676)	(355,096)
Occupancy Expenses		(159,294)	(144,678)
Entertainment and Promotions		(162,290)	(159,382)
Repairs and Maintenance		(96,911)	(110,736)
Motor Vehicle Expenses		(8,756)	(10,920)
Other Expenses		(85,466)	(83,417)
Total Expenses		(1,283,514)	(1,243,228)
Earnings before depreciation and amortisation and loss on disposal of fixed assets		197,353	283,103
Finance costs		-	(179)
Fixed Asset Written-Off		(7,072)	-
Loss on Disposal of Fixed Assets		-	(13,559)
Depreciation & Amortisation		(126,183)	(125,390)
Profit before income tax		64,098	143,975
Income Tax Expense	3(a)	-	-
Net profit from continuing operations after income tax expense attributable to members		64,098	143,975
Other Comprehensive Income		-	-
Total Comprehensive Income for the year, net of tax		64,098	143,975

The Company has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

YARRA BAY 16' SKIFF SAILING CLUB LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2019

	Notes	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	7	556,258	428,200
Inventory	8	33,073	35,263
Other current assets		40,282	41,061
Total Current Assets		629,613	504,524
Non-Current Assets			
Property, plant and equipment	9	839,783	916,700
Total Non-Current Assets		839,783	916,700
Total Assets		1,469,396	1,421,224
LIABILITIES			
Current liabilities			
Trade and other payables	10	52,342	72,651
Employee benefits	11	26,473	24,235
Total Current Liabilities		78,815	96,886
Non-Current Liabilities			
Employee benefits	11	4,915	2,770
Total Non-Current Liabilities		4,915	2,770
Total Liabilities		83,730	99,656
Net Assets		1,385,666	1,321,568
Members' Funds			
Retained profits		1,385,666	1,321,568
Total Members' Funds		1,385,666	1,321,568

The Company has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

The above statement of financial position should be read in conjunction with the accompanying notes.

YARRA BAY 16' SKIFF SAILING CLUB LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2019

	Retained Earnings	Total Equity
	\$	\$
Balance at 1 May 2017	1,177,593	1,177,593
Net profit for the year	143,975	143,975
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>143,975</u>	<u>143,975</u>
Balance at 30 April 2018	<u>1,321,568</u>	<u>1,321,568</u>
Net profit for the year	64,098	64,098
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>64,098</u>	<u>64,098</u>
Balance at 30 April 2019	<u>1,385,666</u>	<u>1,385,666</u>

The Company has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

YARRA BAY 16' SKIFF SAILING CLUB LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2019

	Notes	2019 \$	2018 \$
Cash Flows From Operating Activities			
Receipts from customers		1,605,701	1,656,313
Payments to suppliers and employees		(1,447,568)	(1,360,365)
Rent received		18,550	18,200
Interest received		2,395	923
Net cash inflow from operating activities		179,078	315,071
Cash Flows From Investing Activities			
Payment for property, plant and equipment		(56,338)	(120,998)
Proceeds from disposal of property, plant and equipment		318	6,281
Net cash outflow used in investing activities		(56,020)	(114,717)
Cash Flows From Financing Activities			
Repayment of hire purchase liability		-	(1,342)
Net cash outflow used in financing activities		-	(1,342)
Net increase in cash and cash equivalents		123,058	199,012
Cash and cash equivalents at the beginning of the financial year		433,200	229,188
Cash and cash equivalents at the end of the financial year	7	556,258	428,200

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2019

The financial statements cover Yarra Bay 16' Skiff Sailing Club Limited as an individual entity. Yarra Bay 16' Skiff Sailing Club Limited is a not-for-profit entity, registered and domiciled in Australia.

The principal activities of the Entity for the year ended 30 April 2019 were operations of a sporting club with a focus on 16ft skiff sailing activities.

The functional and presentation currency of Yarra Bay 16' Skiff Sailing Club Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1. BASIS OF PREPARATION

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – *Reduced Disclosure Requirements* and the *Corporations Act 2001*.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

2. CHANGE IN ACCOUNTING POLICY

FINANCIAL INSTRUMENTS ADOPTION OF AASB 9

The Entity has adopted AASB 9 Financial Instruments for the first time in the current year with a date of initial adoption of 1 May 2017.

As part of the adoption of AASB 9, the Entity adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

- AASB 101 *Presentation of Financial Statements* requires the impairment of financial assets to be presented in a separate line item in the statement of profit or loss and other comprehensive income. In the comparative year, this information was presented as part of other expenses.
- AASB 7 *Financial Instruments: Disclosures* requires amended disclosures due to changes arising from AASB 9, these disclosures have been provided for the current year.

The key changes to the Entity's accounting policy and the impact on these financial statements from applying AASB 9 are described below.

Changes in accounting policies resulting from the adoption of AASB 9 have been applied retrospectively except the Entity has not restated any amounts relating to classification and measurement requirements including impairment which have been applied from 1 May 2018.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2019

2. CHANGE IN ACCOUNTING POLICY (Cont'd)

CLASSIFICATION OF FINANCIAL ASSETS

The financial assets of the Entity have been reclassified into one of the following categories on adoption of AASB 9 based on primarily the business model in which a financial asset is managed and its contractual cash flow characteristics:

- Measured at amortised cost
- Fair value through profit or loss (FVTPL) - not applicable to the Entity.
- Fair value through other comprehensive income debt instruments (FVOCI debt) - not applicable to the Entity.
- Fair value through other comprehensive income equity instruments (FVOCI equity) - not applicable to the Entity.

IMPAIRMENT OF FINANCIAL ASSETS

The incurred loss model from AASB 139 has been replaced with an expected credit loss model in AASB 9 for assets measured at amortised cost, contract assets and fair value through other comprehensive income. This has resulted in the earlier recognition of credit loss (bad debt provisions).

TRANSITION ADJUSTMENTS

There is no impact to the Entity's current practice when adopting AASB 9.

CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The table below illustrates the classification and measurement of financial assets and liabilities under AASB 9 and AASB 139 at the date of initial application.

			Carrying amount under AASB 139	Reclassific-a tion	Re-measure me-nts	Carrying amount under AASB 9
	Note	Classification under AASB 139	Classification under AASB 9			
			\$	\$	\$	\$
Financial assets						
Trade and other receivables		Loans and receivables	Amortised cost	-	-	-
Financial liabilities						
Trade creditors	10	Other financial liabilities	Other financial liabilities	48,311	-	48,311
Other payables	10	Other financial liabilities	Other financial liabilities	4,031	-	4,031
Total financial liabilities				52,342	-	52,342

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Income tax

The Entity is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Interest revenue

Interest revenue is recognised using the effective interest method.

Rental income

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Other income

Other income is recognised on an accruals basis when the Club is entitled to it.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average costs.

(f) Property, plant and equipment

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

Leasehold improvements

Leasehold improvements are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment including buildings and capitalized lease assets, excluding freehold land, is depreciated on a straight-line or diminishing value basis over the asset's estimated useful life to the Entity, commencing when the asset is ready for use.

Fixed asset class

Leasehold improvements

Plant and Equipment

Estimated Useful Life

Period of Lease

1 to 40 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(g) Financial instruments

FOR COMPARATIVE YEAR

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Entity becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss - Not applicable to the Entity;
- available for sale financial assets - Not applicable to the Entity; and
- held to maturity investments - Not applicable to the Entity.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Entity's trade and other receivables fall into this category of financial instruments.

In some circumstances, the Entity renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Entity does not necessarily consider the balance to be impaired, however assessment is made on a case by case basis.

The Entity's trade receivables during the year is \$Nil (FY2018: \$Nil).

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(g) Financial instruments (Cont'd)

FOR COMPARATIVE YEAR

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Entity's financial liabilities include trade and other payables, other financial liabilities which are measured at amortised cost using the effective interest rate method.

Impairment of Financial Assets

At the end of the reporting period the Entity assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

No impairment noted for the Entity as the trade receivables during the year is \$Nil (FY2018: \$Nil).

FOR CURRENT YEAR

Financial instruments are recognised initially on the date that the Entity becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(g) Financial instruments (Cont'd)

FOR CURRENT YEAR (Cont'd)

Financial assets (Cont'd)

Classification

On initial recognition, the Entity classifies its financial assets, if any, into the following categories, those measured at:

- amortised cost
- fair value through profit or loss FVTPL - *Not applicable to the entity;*
- fair value through other comprehensive income equity instrument (FVOCI equity) - *Not applicable to the Entity;* and
- fair value through other comprehensive income debt investments (FVOCI debt) - *Not applicable to the Entity*

Financial assets are not reclassified subsequent to their initial recognition unless the Entity changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Entity's financial assets measured at amortised cost comprises of cash and cash equivalents in the statement of assets and liabilities.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(g) Financial instruments (Cont'd)

FOR CURRENT YEAR (Cont'd)

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost - *Not applicable to the Entity*
- debt investments measured at FVOCI - *Not applicable to the Entity*

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Entity considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Entity's historical experience and informed credit assessment and including forward looking information.

The Entity uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Entity uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Entity in full, without recourse to the Entity to actions such as realising security (if any is held); or
- the financial assets are more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Entity in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Entity has determined the probability of nonpayment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(g) Financial instruments (Cont'd)

FOR CURRENT YEAR (Cont'd)

Impairment of financial assets (Cont'd)

Trade receivables (Cont'd)

Where the Entity renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

No impairment noted for the Entity as the trade receivables during the year is \$Nil (FY2018: \$Nil).

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Entity measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Entity comprise trade payables, bank and other loans, if applicable.

(h) Impairment of non-financial assets

At the end of each reporting period the Entity determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(h) Impairment of non-financial assets (Cont'd)

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(j) Employee benefits

Provision is made for the Entity'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 wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period 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 satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(k) Adoption of new and revised accounting standards

The Entity has adopted all standards which became effective for the first time at 30 April 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Entity.

NOTES TO THE FINANCIAL STATEMENTS**30 APRIL 2019****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****(I) New Accounting Standards and Interpretations**

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Entity has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Entity where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 16 Leases	Annual reporting period beginning on or after 1 January 2019	AASB 16 will cause the majority of leases of an entity to be brought onto the statement of financial position. There are limited exceptions relating to short term leases and low value assets which may remain off balance sheet. The calculation of the lease liability will take into account appropriate discount rates, assumptions about lease term and increases in lease payments. A corresponding right to use asset will be recognised which will be amortised over the term of the lease. Rent expense will no longer be shown, the profit and loss impact of the leases will be through amortisation and interest charges.	The standard will require all leases to be accounted for 'on balance sheet' by lessees other than short term or low value asset leases. As at 30 April 2019 the company has \$188,177 in operating lease commitments (see note 12). The company has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the company's profit and classification of cash flows.
AASB 1058 Income of NFP Entities	Annual reporting periods beginning on or after 1 January 2019	AASB 1058 supersedes all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contribution. The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity. AASB 1058 applies when a NFP entity receives volunteer services or enters into other transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. In the latter case, the entity recognises and measures the asset at fair value in accordance with the applicable Australian Accounting Standard (eg AASB 116 Property, Plant and Equipment).	The Board has determined no significant impact when applying this standard given the simplicity of their revenue streams. However, there may be additional disclosures when applying this new standard when it becomes effective.

NOTES TO THE FINANCIAL STATEMENTS**30 APRIL 2019****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****(I) New Accounting Standards and Interpretations (Cont'd)**

Standard Name	Effective date for entity	Requirements	Impact
AASB 16 Leases (Cont'd)	Annual reporting period beginning on or after 1 January 2019 (Cont'd)	Upon initial recognition of the asset, this Standard requires the entity to consider whether any other financial statement elements (called 'related amounts') should be recognised in accordance with the applicable Accounting Standard, such as:(a) contributions by owners;(b) revenue, or a contract liability arising from a contract with a customer;(c) a lease liability;(d) a financial instrument; or(e) a provision. If the transaction is a transfer of a financial asset to enable an entity to acquire or construct a recognisable nonfinancial asset to be controlled by the entity (i.e. an in substance acquisition of a nonfinancial asset), the entity recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. The entity recognises income as it satisfies its obligations under the transfer similarly to income recognition in relation to performance obligations under AASB 15.If the transaction does not enable an entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income.	

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

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

There are no indicators of impairment at this stage with the property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS**30 APRIL 2019****4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)****Key estimates – provisions (long service leave)**

Judgement is applied in determining the following key assumptions used in the calculation of long service leave provision at year end – future increases in wages and salaries; future on-cost rates; experience of employee departures and period of service.

5. REVENUE AND OTHER INCOME

	2019	2018
	\$	\$
Revenue from Continuing Operations		
Sale of Goods Revenue		
Bar sales	1,025,221	1,000,199
	<u>1,025,221</u>	<u>1,000,199</u>
Rendering of Services Revenue		
Poker machines – net clearances	275,098	352,743
Members' subscriptions	12,462	11,742
TAB Commissions	14,132	12,186
Keno Commissions	46,983	45,051
Other Commission received	12,902	15,844
Other income	25,364	22,452
	<u>386,941</u>	<u>460,018</u>
Other Revenues		
Rebates received	34,322	33,319
Interest	2,395	923
Rent received	16,864	16,545
Room hire income	14,755	15,327
Sundry income	51	-
Gain on disposal of fixed assets	318	-
	<u>68,705</u>	<u>66,114</u>
Total other revenue	<u>68,705</u>	<u>66,114</u>
Total revenue from continuing operations	<u>1,480,867</u>	<u>1,526,331</u>

YARRA BAY 16' SKIFF SAILING CLUB LIMITED

A.C.N. 000 583 693

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2019

6. EXPENSES

	2019	2018
	\$	\$
(a) Profit before income tax includes the following specific expenses:		
Rental expense relating to operating leases	24,265	23,707
	<hr/>	<hr/>
Depreciation and amortisation		
Leasehold improvements	63,085	62,882
Plant and equipment	63,098	62,508
	<hr/>	<hr/>
Total depreciation and amortisation	126,183	125,390
	<hr/>	<hr/>
Net expense from movements in provision for employee benefits	4,383	3,723
	<hr/>	<hr/>
Defined contribution superannuation expense	29,429	29,040
	<hr/>	<hr/>
Loss on disposal of property, plant and equipment	-	13,559
Fixed asset written-off	7,072	-
	<hr/>	<hr/>

7. CASH AND CASH EQUIVALENTS

Reconciliation of Cash:

Cash as at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2019	2018
	\$	\$
Current Assets		
Cash at bank and in hand	556,258	428,200
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2019

8. INVENTORY

	2019 \$	2018 \$
Current Assets		
Finished goods	33,073	35,263

Inventory recognised as expense during the year ended 30 April 2019 and included in cost of sales amounted to \$391,121 (2018: \$378,999). There were no write downs of inventory during the year.

9. PROPERTY, PLANT AND EQUIPMENT

Non-Current	Leasehold Improvements \$	Plant and Equipment \$	Total \$
At 30 April 2018			
At cost	1,694,372	988,142	2,682,514
Accumulated Depreciation and Amortisation	(1,118,893)	(646,921)	(1,765,814)
Net book amount	575,479	341,221	916,700
Year ended 30 April 2019			
Opening net book amount	575,479	341,221	916,700
Additions	13,065	43,273	56,338
Disposals (at cost)	-	(1,359)	(1,359)
Disposals (at accumulated depreciation)	-	1,359	1,359
Written-off (at cost)	-	(20,942)	(20,942)
Written-off (at accumulated depreciation)	-	13,870	13,870
Depreciation charge	(63,085)	(63,098)	(126,183)
Closing net book amount	525,459	314,324	839,783
At 30 April 2019			
At cost	1,707,437	1,009,114	2,716,551
Accumulated Depreciation and Amortisation	(1,181,978)	(694,790)	(1,876,768)
Net book amount	525,459	314,324	839,783

Core Properties held by the Club are:

Yarra Road
Phillip Bay NSW 2036

There were no non-core properties held by the club.

YARRA BAY 16' SKIFF SAILING CLUB LIMITED
A.C.N. 000 583 693
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2019

10. TRADE AND OTHER PAYABLES

	2019	2018
	\$	\$
Current Liabilities		
Trade creditors	48,311	57,029
Other payables	4,031	15,622
	<u>52,342</u>	<u>72,651</u>

11. EMPLOYEE BENEFITS

	2019	2018
	\$	\$
Current	<u>26,473</u>	<u>24,235</u>
Non-Current	<u>4,915</u>	<u>2,770</u>

The present value of employee benefits not expected to be settled within 12 months of reporting date have been calculated using the following weighted averages:

Assumed rate of increase in wage and salary rates	1.30%	1.90%
Discount rate	1.79%	2.77%
Settlement term (years)	10	10

Superannuation Plans

Contributions:

The company is under a legal obligation to contribute 9.5% of each employee's base salary to a superannuation fund.

12. COMMITMENTS

	2019	2018
	\$	\$
Operating Lease Commitments		
Within 12 months	24,545	23,906
1-5 years	115,142	115,608
Later than 5 years	48,490	71,379
	<u>188,177</u>	<u>210,893</u>

Operating lease commitments are in respect of the lease of the property located at Yarra Road, Phillip Bay and lease of the telephone system.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2019

13. KEY MANAGEMENT PERSONNEL

(a) Directors

The following persons were non-executive directors of the company during the financial year:

Name of the director

Barry James Wallace

Peter Brodie (resigned 23 September 2018)

Ronald Saville

Lynne Wallace

Stephen Burley

Philip Jenkinson

Nicole Rennie

Gregory Fox (appointed 23 September 2018)

(b) Other Key Management Personnel

There were no other persons who had authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly during the financial year.

(c) Key Management Personnel Compensation

	2019	2018
	\$	\$
Benefits and payments made to the Directors	20,000	-

At the previous annual general meeting held 23 September 2019 an ordinary resolution was passed approving the payment of honoraria for the president and treasurer of \$15,000 each. During the year ended 30 April 2019 payments amounting to \$10,000 each have been processed.

14. RELATED PARTY TRANSACTIONS

Key Management Personnel

Disclosures relating to key management personnel are set out in Note 14.

Directors' Transactions with the Company

From time to time, directors of the company, or their director-related entities, may purchase goods from the company. These purchases are on the same terms and conditions as those entered into by other company employees or customers and are trivial or domestic in nature.

YARRA BAY 16' SKIFF SAILING CLUB LIMITED

A.C.N. 000 583 693

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2019

15. COMPANY DETAILS

The Club is incorporated and domiciled in Australia as a company limited by guarantee. At 30 April 2019 there were 1,867 members (2018: 1,739).

The registered office of the company is Yarra Road, Phillip Bay NSW 2036.

16. EVENTS SUBSEQUENT TO REPORTING DATE

There were no matters or circumstances that have arisen since the end of the financial year that have 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 future financial years.



7 August 2019

Yarra Bay 16' Skiff Sailing Club Limited

ACN 000 583 693

Auditor's Independence Declaration

As auditor for the audit of Yarra Bay 16' Skiff Sailing Club Limited for the year ended 30 April 2019, 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.

Yours faithfully

Fitzpatrick Group

Rick Fitzpatrick
Director

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Yarra Bay 16' Skiff Sailing Club Limited
ACN 000 583 693

Independent Audit Report to the members of Yarra Bay 16' Skiff Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Yarra Bay 16' Skiff Sailing Club Limited (the Company), which comprises the statement of financial position as at 30 April 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 April 2019 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

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Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report is prepared to assist the Company in complying with the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Company and should not be distributed to or used by parties other than the Company. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 April 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

Fitzpatrick Group
Certified Practising Accountants



W.A Fitzpatrick
Director

Dated this 7th day of August 2019