

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



YARRA BAY 16' SKIFF SAILING CLUB LTD

ABN 72 000 583 693

ANNUAL REPORT 2020

YARRA BAY 16' SKIFF SAILING CLUB LIMITED
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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

Philip Jenkinson (Sailing Director)

Stephen Burley

Gregory Fox

Nicole Rennie

Honorary Secretary

Barry Wallace

Auditor

W A Fitzpatrick – Fitzpatrick Group

Life Members

Brian Beer

Peter Brodie

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 27TH September 2020 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 20th September 2020.

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

AGENDA

- 1 To confirm the Minutes of the 2019 Annual General Meeting
2. To receive and consider the 2020 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 2020 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.
7. To consider and if thought fit, pass the following Special Resolution:

The Special Resolution is to remove the existing Clause 37(b) shown below:

37 (b) Only financial Ordinary members and Honorary life members shall be eligible to be elected or appointed to hold office on the Committee.

And replace it with the following clause

*37 (b) Only financial Ordinary members **of at least 3 years' standing as at date of nomination** and Honorary life members shall be eligible to be elected or appointed to hold office on the Committee.*

The effect of the Special Resolution will be to require an Ordinary member standing for election for the Committee to have been an Ordinary member for at least 3 years prior to the date of nomination for the Committee.

8. To deal with any other business of which due notice has been given.

The 2020 Annual Report and Financial Statements will be available not later than 6 Sept 2020 for collection at the Club, and online at www.yarrabaysailingclub.com.au

Any member wishing to nominate for Committee positions - President, Vice-President, Treasurer, Sailing Director, Director (3 positions) may do so on the nomination form available from the Club. The completed form must then be lodged with the Duty Manager at the Club by 5pm on Sunday 13 Sept 2020.

All nominees and signatories on the nomination form must be financial as at 13 Sept 2020.

Any questions in respect to the financial statements are required to be put in writing to the Secretary 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.

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President's Report

The 2019 – 2020 financial year has not been as successful financially as in previous years. There are a few reasons for this including the Federal election in May following the State election in March, the bushfires (and resulting smoke) over the summer and over the last couple of months of the financial year (to April), COVID 19. The Club was closed on 22 March 2020 due to the pandemic and reopened on 22 June 2020, a total of 13 weeks closure. Trade has been slow with COVID 19 restrictions – no functions, no dancing and lower patronage. I'd like to thank my fellow directors: Ron Saville, Vice President, for his valuable advice, Lynne Wallace, Treasurer and Honorary Assistant Manager, who spends almost as many hours at the Club as myself, Phil Jenkinson, Sailing Director and Steve Burley who together run the sailing program for the kids to learn to sail, Greg Fox for his valuable assistance during the lockdown and Nicole Rennie (together with Glen Scott) for their help with the raffles. Also many thanks to Steve for the many hours he's spent painting around the Club.

I'd like also to thank the many volunteers we've had helping throughout the year – Brian Beer, Peter Brodie, John Coy and Kevin Hurst (all of them life members) and the many others I've neglected to mention. Also thanks to our dedicated and loyal staff – Sid, Matt, Tracie, Chantelle, Jack, Geoff, Toren, Eleena, McKenzie, Josie, Alex, Lisa and Assen (China) who has now retired.

My thanks also to Yianni and his team who continue to provide delicious meals in both the restaurant and the bistro and to our back of house team – Milica our accountant, Antoinette our accounts clerk and Bob our cleaner.

Many people have taken pride in the fact that there was an Indigenous entry in the 2019 Sydney to Hobart Race. Yarra Bay Sailing Club takes great pride in the fact that many of the sailors on board Tribal Warrior II learnt to sail and some are still currently sailing at Yarra Bay, namely Steve Burley, Greg Fox, Les (Doc) Davison (all current sailors) and Assen (China) Timbery, Wayne Jones and Martin Walker (all of whom have sailed 16ft Skiffs at Yarra Bay in the past).

Barry Wallace

President & Honorary Secretary/Manager

Sailing Director's Report.

Many thanks to Vice Commodore, Steve Burley for teaching the Junior Sailors in the Sky rider Skiffs the Basics of Sailing and Racing and progressing them to the next boat the BIC Racing Skiff. I took on the BIC Skiff Sailors Advanced Sailing and Racing to progress the Sailors to participate in inter club Regattas. Three BIC Skiff Sailors competed in the Open BIC Kurnell Cup with Lachie coming 7th and Nolan 14th in the Gold Fleet and Vlad 2nd and Marlo 5th in the Silver Fleet. Well Done Sailors. Lachie also competed in the Open BIC NSW Championship coming 15th and 25th at the Australian Championship. Well Done Lachie.

Wendall Wait did a great job teaching the Adult Sailors in Laser Skiffs the Basics of Sailing and Racing. Congratulations to Les (Doc) Davison the Seniors Mono Hull Club Champion and Steve Burley the Pointscore Winner.

A big thank you to Maintenance and Boat Repair volunteers President Barry Wallace and Veteran All-rounder Brian Beer for keeping the Skiffs and Rescue Boats on the Water.

The 2020-2021 Sailing Season commences on 20th September for experienced Sailors with new Sailors commencing on 18th October. This will be a challenging season with Covid 19 restrictions but we'll have a COVIDSAFE Plan in place to protect Sailors, Parents and Training Staff.

Yours in Sailing,

Phil Jenkinson

Sailing Director and Commodore

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FINANCIAL STATEMENTS – 30 APRIL 2020

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DIRECTORS' REPORT

Your Directors present their report on the Financial Reports of the Company for the year ended 30 April 2020.

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	10	President Retired Fire fighter and Electrical Contractor Rear Commodore
Ronald Saville	6	Vice President Retired Butcher
Lynne Wallace BComm (UNSW) Grad Cert Mathematics (CSU)	6	Treasurer Retired Teacher
Stephen Burley	5	Sailing Director Truck Driver
Philip Jenkinson	3	Retired Senior Field Support Officer Commodore (26 years)
Nicole Rennie BNursing (UTS)	2	Nursing Unit Manager (Operating Theatres)
Gregory Fox	1	Building Project Manager

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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
Ronald Saville	12	12
Lynne Wallace	12	12
Stephen Burley	10	12
Philip Jenkinson	12	12
Nicole Rennie	11	12
Gregory Fox	11	12

*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:

	2020	2019
Life Members	8	7
Junior Members	19	22
Ordinary Members	1,800	1,835
Honorary Members	3	3
TOTAL	1,830	1,867

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 \$36,600 (2019: \$37,340).

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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 29 of the financial report.

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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 9 to 29 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 2020 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 20th day of August 2020
in accordance with a resolution of the Directors**

B. Wallace

.....
BARRY JAMES WALLACE-PRESIDENT

L. Wallace

.....
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 2020

	Notes	2020 \$	2019 \$
Revenue from continuing operations			
Sale of Goods		869,492	1,025,221
Rendering of Services		375,729	386,941
Other Revenue		98,907	68,705
Total Revenue	5	1,344,128	1,480,867
Expenses			
Cost of Sales		(347,469)	(391,121)
Employee Benefits Expenses		(364,673)	(379,676)
Occupancy Expenses		(123,068)	(159,294)
Entertainment and Promotions		(146,627)	(162,290)
Repairs and Maintenance		(95,867)	(96,911)
Motor Vehicle Expenses		(6,958)	(8,756)
Other Expenses		(83,808)	(85,466)
Total Expenses		(1,168,470)	(1,283,514)
Earnings before depreciation and amortisation and loss on disposal of fixed assets		175,658	197,353
Finance costs		(448)	-
Fixed Asset Written-Off		(16,044)	(7,072)
Depreciation & Amortisation		(143,812)	(126,183)
Profit before income tax		15,354	64,098
Income Tax Expense	3(a)	-	-
Net profit from continuing operations after income tax expense attributable to members		15,354	64,098
Other Comprehensive Income		-	-
Total Comprehensive Income for the year, net of tax		15,354	64,098

The company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

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 2020

	Notes	2020 \$	2019 \$
ASSETS			
Current Assets			
Cash and cash equivalents	7	576,892	556,258
Inventory	8	36,579	33,073
Other current assets		31,088	40,282
Total Current Assets		644,559	629,613
Non-Current Assets			
Property, plant and equipment	9	792,155	839,783
Right of use assets	10	775,000	-
Total Non-Current Assets		1,567,155	839,783
Total Assets		2,211,714	1,469,396
LIABILITIES			
Current liabilities			
Trade and other payables	11	23,856	52,342
Employee benefits	12	24,088	26,473
Lease liabilities	13	17,337	-
Total Current Liabilities		65,281	78,815
Non-Current Liabilities			
Employee benefits	12	5,891	4,915
Lease liabilities	13	97,615	-
Total Non-Current Liabilities		103,506	4,915
Total Liabilities		168,787	83,730
Net Assets		2,042,927	1,385,666
Members' Funds			
Retained profits		2,042,927	1,385,666
Total Members' Funds		2,042,927	1,385,666

The company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

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 2020

	Retained Earnings	Total Equity
	\$	\$
Balance at 1 May 2019	1,321,568	1,321,568
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>
Net profit for the year	15,354	15,354
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>15,354</u>	<u>15,354</u>
Adjustment to retained earnings arising from adoption of AASB 1058	641,907	641,907
Balance at 30 April 2020	<u><u>2,042,927</u></u>	<u><u>2,042,927</u></u>

The company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

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

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2020

	Notes	2020 \$	2019 \$
Cash Flows From Operating Activities			
Receipts from customers		1,440,618	1,605,701
Payments to suppliers and employees		(1,321,939)	(1,447,568)
Rent received		16,449	18,550
Interest received		6,323	2,395
Net cash inflow from operating activities		141,451	179,078
Cash Flows From Investing Activities			
Payment for property, plant and equipment		(102,228)	(56,338)
Proceeds from disposal of property, plant and equipment		-	318
Net cash outflow used in investing activities		(102,228)	(56,020)
Cash Flows From Financing Activities			
Lease payments		(18,589)	-
Net cash outflow used in financing activities		(18,589)	-
Net increase in cash and cash equivalents		20,634	123,058
Cash and cash equivalents at the beginning of the financial year		556,258	433,200
Cash and cash equivalents at the end of the financial year	7	576,892	556,258

The company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

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

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NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2020

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 2020 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. NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The Company has adopted all new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the Company:

AASB 15 Revenue from Contracts with Customers - The Company has adopted AASB 15 from 1 May 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below.

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NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2020

2. NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED (Cont'd)

AASB 16 Leases -The Company has adopted AASB 16 from 1 May 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

AASB 1058 Income of Not-for-Profit Entities - The company has adopted AASB 1058 from 1 May 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the 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 immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

Impact of adoption AASB 15, AASB 16 and AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact from the adoption of AASB 15 Revenue from contracts with customers and AASB 1058 Income of Not-for-Profit Entities on opening retained profits as at 1 May 2019. There was no significant difference on adoption of AASB 16 Leases from the operating lease commitments disclosed in applying AASB 117 at the end of the annual reporting period 30 April 2019 after having discounted the commitments using the incremental borrowing rate at 1 May 2019.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2020

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) Right of use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at fair value. The class of right of use assets held is land held. It is considered to have an indefinite useful life hence it is not depreciated. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities. The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred

(c) Leases

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred. Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(d) 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.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2020

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

(d) Revenue and other income (cont'd)

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.

(e) 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.

(f) Inventories

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

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2020

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

(g) 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

Estimated Useful Life

Leasehold improvements

Period of Lease

Plant and Equipment

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.

(h) Financial instruments

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)

(h) Financial instruments

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 2020

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

(h) Financial instruments (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 2020

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

(h) Financial instruments (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 (FY2019: \$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.

(i) 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 2020

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

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

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

(j) 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.

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 and right-of-use asset

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 and right-of-use asset.

YARRA BAY 16' SKIFF SAILING CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2020

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.

Key estimates – Coronavirus (COVID-19) pandemic:

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

5. REVENUE AND OTHER INCOME

	2020 \$	2019 \$
Revenue from Continuing Operations		
Sale of Goods Revenue		
Bar sales	869,492	1,025,221
	<u>869,492</u>	<u>1,025,221</u>
Rendering of Services Revenue		
Poker machines – net clearances	277,867	275,098
Members' subscriptions	15,154	12,462
TAB Commissions	10,960	14,132
Keno Commissions	37,511	46,983
Other Commission received	11,838	12,902
Other rendering of services income	22,399	25,364
	<u>375,729</u>	<u>386,941</u>
Other Revenue		
Income arising from initial recognition of an asset	10,000	-
Government grants	18,000	-
Rebates received	37,194	34,322
Interest	6,323	2,395
Rent received	14,954	16,864
Room hire income	12,399	14,755
Sundry income	37	51
Gain on disposal of fixed assets	-	318
Total other revenue	<u>98,907</u>	<u>68,705</u>
Total revenue from continuing operations	<u>1,344,128</u>	<u>1,480,867</u>

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NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2020

6. EXPENSES

	2020 \$	2019 \$
(a) Profit before income tax includes the following specific expenses:		
Lease expenses	3,540	24,265
Depreciation and amortisation		
Leasehold improvements	64,755	63,085
Plant and equipment	79,057	63,098
Total depreciation and amortisation	143,812	126,183
Net expense from movements in provision for employee benefits	(1,409)	4,383
Defined contribution superannuation expense	26,745	29,429
Fixed asset written-off	16,044	7,072

Lease expenses recognised in the year ended 30 April 2020 are in connection with low value assets. In 2019 lease expenses included leases classified as operating leases under AASB 117 Leases. The Club has adopted AASB 16 Leases using the modified retrospective approach. Under this approach the comparative period is not restated.

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:

	2020 \$	2019 \$
Current Assets		
Cash at bank and in hand	576,892	556,258

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NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2020

8. INVENTORY

	2020 \$	2019 \$
Current Assets		
Finished goods	36,579	33,073

Inventory recognised as expense during the year ended 30 April 2020 and included in cost of sales amounted to \$347,469 (2019: \$391,121). 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 2019			
At cost	1,707,437	1,010,474	2,717,911
Accumulated Depreciation and Amortisation	(1,181,978)	(696,150)	(1,878,128)
Net book amount	525,459	314,324	839,783
Year ended 30 April 2020			
Opening net book amount	525,459	314,324	839,783
Additions	44,837	67,391	112,228
Written-off	-	(16,044)	(16,044)
Depreciation charge	(64,755)	(79,057)	(143,812)
Closing net book amount	505,541	286,614	792,155
At 30 April 2020			
At cost	1,752,274	1,048,928	2,801,202
Accumulated Depreciation and Amortisation	(1,246,733)	(762,314)	(2,009,047)
Net book amount	505,541	286,614	792,155

Core Properties held by the Club are:

Yarra Road
Phillip Bay NSW 2036

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

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NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2020

10. RIGHT OF USE ASSETS

	2020	2019
	\$	\$
Non-Current		
Land – at fair value	775,000	-
	<u>775,000</u>	<u>-</u>

AASB 16 Leases was adopted using the modified retrospective approach. The adoption of this standard gave rise to a right of use asset and lease liability with respect to the Crown land which was previously recognised as an operating lease.

The right of use asset is held was valued based on the Notice of Valuation from the NSW Valuer General as at 1 July 2019. The value is not expected to have materially altered in the intervening period to 30 April 2020.

11. TRADE AND OTHER PAYABLES

	2020	2019
	\$	\$
Current Liabilities		
Trade creditors	3,120	48,311
Other payables	20,736	4,031
	<u>23,856</u>	<u>52,342</u>

12. EMPLOYEE BENEFITS

	2020	2019
	\$	\$
Current	<u>24,088</u>	<u>26,473</u>
Non-Current	<u>5,891</u>	<u>4,915</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	2.2%	1.30%
Discount rate	0.89%	1.79%
Settlement term (years)	10	10

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NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2020

12. EMPLOYEE BENEFITS CONT'D

Superannuation Plans

Contributions:

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

13. LEASE LIABILITIES

	2020 \$	2019 \$
Current	17,337	-
Non-Current	97,615	-

The lease liability is with respect to the land on which the clubhouse is situated at Yarra Road, Phillip Bay. Under the previous lease standard (AASB 117 Leases) the lease was classified as an operating lease. Lease payments were expensed and a commitment note outlined the remaining payments on the lease. Under the new lease standard (AASB 16) the Club has recognised a right of use asset and a lease liability. The lease liability has been calculated based on the net present value of lease payments using the Company's incremental borrowing rate at the time of adoption of AASB 16.

14. COMMITMENTS

	2020 \$	2019 \$
Low Value Asset Lease Commitments		
Within 12 months	3,894	24,545
1-5 years	-	115,142
Later than 5 years	-	48,490
	3,894	188,177

Low value asset lease commitments are in respect of the Company's telephone system.

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NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2020

15. 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
Ronald Saville
Lynne Wallace
Stephen Burley
Philip Jenkinson
Nicole Rennie
Gregory Fox

(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

	2020	2019
	\$	\$
Benefits and payments made to the Directors	<u>25,000</u>	<u>20,000</u>

At the previous annual general meeting held 22 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 2020 payments amounting to \$12,500 each have been processed.

16. RELATED PARTY TRANSACTIONS

Key Management Personnel

Disclosures relating to key management personnel are set out in Note 15.

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
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NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2020

16. RELATED PARTY TRANSACTIONS (CONTINUED)

Directors' Transactions with the Company (continued)

During the financial year IT services were provided by James Wallace who is the son of directors Barry and Lynne Wallace. The services provided were to the value of \$2,229 (2019: \$2,573).

Apart from the details disclosed in this note, no director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

17. COMPANY DETAILS

The Club is incorporated and domiciled in Australia as a company limited by guarantee. At 30 April 2020 there were 1,830 members (2019: 1,867).

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

18. EVENTS SUBSEQUENT TO REPORTING DATE

The impact of the Coronavirus (COVID-19) pandemic is ongoing and has not caused significant detriment for the Club up to 30 April 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided. Based on the current available information, the Board of Directors' believe that the entity will remain a going concern.

No other matter or circumstance has arisen since 30 April 2020 that has significantly affected, or may significantly affect the Club's operations, the results of those operations, or the Club's state of affairs in future financial years.

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 2020, 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.

Fitzpatrick Group
Certified Practising Accountants

W.A Fitzpatrick
Partner



Narellan, NSW
Date: 20 August 2020

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Better
Businesses*

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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 2020, 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 2020 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.

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 matter

We draw attention to Note 18 of the financial report which describes the current outbreak of the Coronavirus (COVID-19) which may have an impact on the going concern of the entity within the next 12 months of the signed financial report. The Company has considered the impact of the outbreak, however, as of the date of this financial report, it is unable to be quantified due to the uncertainties surrounding this matter. 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 2020, 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.

Other information (continued)

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.

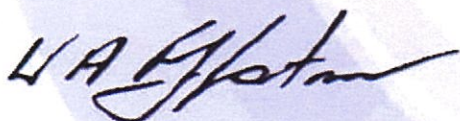
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies 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

Narellan, NSW
Dated this 20th day of August 2020