



**Cruising Yacht Club
of South Australia**

CYC Ramp Trust

ABN: 58 417 264 268

Financial Report

For the Year Ended 31 May 2019

CYC Ramp Trust

ABN: 58 417 264 268

For the year ended 31 May 2019

CONTENTS	Page Number
Statement by the Directors	3
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
Independent Auditor's Report	12

CYC Ramp Trust

ABN: 58 417 264 268

For the year ended 31 May 2019

STATEMENT BY THE DIRECTORS

In accordance with a resolution of the directors of the CYC Ramp Pty Ltd as trustee for the CYC Ramp Trust, the directors of the trustee company declare that the trust is not a reporting entity and that this special purpose financial report was prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the trustee company declare that:

1. the financial statements and notes, as set out on pages 4 to 10, present fairly the trust's financial position as at 31 May 2019 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and,
2. in the Directors' opinion, there are reasonable grounds to believe that the trust will be able to pay its debts as and when they become due and payable.

Director



Director



Dated this

3rd day of August 2019

CYC Ramp Trust

ABN: 58 417 264 268

For the year ended 31 May 2019

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MAY 2019

	Note	2019 \$	2018 \$
REVENUE			
Operating revenue	2	101,963	130,528
Profit on sale of asset	2	1,772,103	-
Other income	2	90,000	90,000
TOTAL REVENUE		1,964,066	220,528
EXPENSES			
Depreciation expense		8,811	21,007
Rates & taxes	3	99,278	161,578
Repairs & maintenance		3,078	4,781
Other operating expenses		4,508	23,504
Finance costs		-	2
TOTAL EXPENSES		115,675	210,870
NET PROFIT / (LOSS)		1,848,391	9,658
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		1,848,391	9,658

The accompanying notes form part of these financial statements.

CYC Ramp Trust

ABN: 58 417 264 268

For the year ended 31 May 2019

STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	20	20
TOTAL CURRENT ASSETS		20	20
NON-CURRENT ASSETS			
Trade and other receivables	4	2,872,994	2,872,994
Property, plant and equipment	5	2,338,296	6,025,381
TOTAL NON-CURRENT ASSETS		5,211,290	8,898,375
TOTAL ASSETS		5,211,310	8,898,395
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities	6	3,164,272	5,396,652
Borrowings		-	-
TOTAL NON-CURRENT LIABILITIES		3,164,272	5,396,652
TOTAL LIABILITIES		3,164,272	5,396,652
NET ASSETS		2,047,038	3,501,743
EQUITY			
Settled capital		20	20
Revaluation reserve	7	2,047,018	3,501,829
Accumulated Losses		-	(106)
TOTAL EQUITY		2,047,038	3,501,743

The accompanying notes form part of these financial statements.

CYC Ramp Trust

ABN: 58 417 264 268

For the year ended 31 May 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAY 2019

	Retained Earnings	Revaluation Reserve	Capital Profits Reserve	Settled Capital	Total \$
	\$	\$	\$	\$	
Balance at 1 June 2017	(9,764)	3,501,829	-	20	3,492,085
Transfer to/(from) Reserves	-	-	-	-	-
Operating Result for the Year	9,658	-	-	-	9,658
Balance at 31 May 2018	(106)	3,501,829	-	20	3,501,743
Balance at 1 June 2018	(106)	3,501,829	-	20	3,501,743
Transfer to/(from) Reserves	-	(1,454,811)	1,454,811	-	-
Operating Result for the Year	1,848,391	-	-	-	1,848,391
Distribution to Beneficiary	(1,848,285)	-	(1,454,811)	-	(3,303,097)
Balance at 31 May 2019	-	2,047,018	-	20	2,047,038

CYC Ramp Trust

ABN: 58 417 264 268

For the year ended 31 May 2019

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MAY 2019

	2019	2018
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	191,963	220,528
Payments to suppliers	(196,864)	(189,862)
Interest paid	-	-
Net cash provided by (used in) operating activities	(4,901)	30,666
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts for property, plant and equipment	5,450,378	-
Net cash provided by (used in) investing activities	5,450,378	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	-
Repayment of borrowings	(5,445,477)	(30,666)
Net cash provided by (used in) financing activities	(5,445,477)	(30,666)
Net increase / (decrease) in cash held	-	-
Cash and cash equivalents at beginning of financial year	20	20
Cash and cash equivalents at end of financial year	20	20

The accompanying notes form part of these financial statements.

CYC Ramp Trust

ABN: 58 417 264 268

For the year ended 31 May 2019

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The directors of the trustee company have prepared the financial statements of the CYC Ramp Trust (the trust) on the basis that the trust is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to satisfy the information needs of unit holders in relation to the performance and financial position of the trust.

The financial report has been prepared in accordance with the following Australian Accounting Standards:

AASB 101	Presentation of Financial Statements
AASB 107	Statement of Cash Flows
AASB 108	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 116	Property, Plant and Equipment
AASB 1048	Interpretation of Standards
AASB 1053	Application of tiers of Australian Accounting Standards
AASB 1054	Australian Additional Disclosures

The financial statements have been prepared on an accruals basis and are based on historical costs. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless stated otherwise in the notes.

The financial statements were authorised for issue on 25 July 2019 by the directors of the trustee company.

a. Property, Plant and Equipment

Increases in the carrying amount arising on revaluation of land are credited to a revaluation reserve surplus in equity. Decreases that offset previous increases of the same asset are recognised against any revaluation surplus directly in equity; all other decreases are recognised in profit or loss

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

A depreciation rate of 1% has been applied to the calculation of depreciation for the Rock Breakwater asset class.

b. Income Tax

Under current tax legislation, the trust is not liable to income tax provided its taxable income is fully distributed to beneficiaries.

c. Comparative Figures

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information in accordance with adopted AIFRS.

CYC Ramp Trust

ABN: 58 417 264 268

For the year ended 31 May 2019

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

d. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

e. Revenue and Other Income

Revenue is measured at the value of the consideration received or receivable after taking into account any trade discounts allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

f. Goods and Services tax (GST)

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

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

g. Trust Distribution

For the purposes of these financial statements and Australian Accounting Standards:

- (1) The trust records a current year net profit of \$1,848,391 (2018: \$9,658 surplus) which includes accounting profit of \$1,772,103 on the sale of the North Haven Boat Ramp, the contract for which was signed in February 2018 and settled in November 2018. The current year net profit has been applied against carry forwarded losses with the balance wholly distributed to the Cruising Yacht Club of SA Incorporated (CYC Club) as beneficiary. The trust has a carry forward loss of \$0 as at 31 May 2019.
- (2) The trust further records a distribution from the Capital Profit Reserve of \$1,454,811 to the CYC Club as beneficiary. This amount represents the difference between the revalued carrying amount and original cost of the disposed North Haven Boat Ramp asset of the trust.

Notwithstanding the above, for trust law purposes the profit made from the sale of the North Haven Boat Ramp (including that amount otherwise distributed from the Capital Profit Reserve) was wholly set aside and applied for the benefit of the CYC Club as beneficiary in the previous 2018 financial year in accordance with the trust's deed.

h. Comparative Figures

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

CYC Ramp Trust

ABN: 58 417 264 268

For the year ended 31 May 2019

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

Note 2: OPERATING REVENUE		2019	2018
		\$	\$
Ramp fees		101,963	130,528
Proceeds on sale of asset	5,450,378		
Book value of asset sold	<u>(3,678,275)</u>		
Profit on sale of asset	(1)	1,772,103	
Other Income		90,000	90,000
		<u>1,964,066</u>	<u>220,528</u>

(1) The entity sold the North Haven Boat Ramp this year for \$5.45 million and after costs resulted in the net profit stated above

NOTE 3: RATES & TAXES

On 23 February 2018 a contract was signed with the Minister of Transport and Infrastructure to sell the North Haven Boat Ramp which subsequently settled on 1 November 2018. As a result of this sale of land, rates and taxes have reduced.

NOTE 4: TRADE & OTHER RECEIVABLES

HP Receivables	2,872,994	2,872,994
	<u>2,872,994</u>	<u>2,872,994</u>

NOTE 5: PROPERTY, PLANT AND EQUIPMENT

Ramp Land and Improvements		
- At Deemed Cost	2,338,296	4,000,000
- Inner Breakwater	-	2,100,755
- Accumulated Depreciation	-	<u>(75,374)</u>
	<u>2,338,296</u>	<u>6,025,381</u>

NOTE 6: FINANCIAL LIABILITIES

Loan: CYC (SA) Unit Trust	1,307,184	1,397,184
Loan: Cruising Yacht Club of SA Inc.	1,857,088	3,999,468
	<u>3,164,272</u>	<u>5,396,652</u>

CYC Ramp Trust

ABN: 58 417 264 268

For the year ended 31 May 2019

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

NOTE 7: ASSET REVALUATION RESERVE

Opening balance		3,501,829	3,501,829
Revaluation adjustment	(1)	(1,454,811)	-
Closing Balance		<u>2,047,018</u>	<u>3,501,829</u>

(1) As a result of the sale of the ramp assets, the trust has recorded an accounting adjustment to the asset revaluation reserve. Previous asset revaluation increments recorded for assets disposed of in 2018/19 have been transferred to the Capital Profit Reserve and distributed to the trust beneficiary (CYC Club).

The Asset Revaluation Reserve has been included in Retained Earnings in the consolidated financial statements.

NOTE 8: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A bill discount line was provided to the CYC (SA) Management Pty Ltd as trustee for the CYC (SA) Unit Trust. As a result, fully interlocked guarantees have been provided by CYC Ramp Pty Ltd as trustee for CYC Ramp Trust, Cruising Yacht Club of SA Inc. and CYC (SA) Management Pty Ltd as trustee for CYC (SA) Unit Trust.

At 31 May 2019, \$nil (2018: \$nil) has been drawn on the bill discount line. In addition, a registered mortgage has been provided over the non-current assets of the CYC (SA) Unit Trust.

NOTE 9: CASH FLOW INFORMATION

	2019	2018
	\$	\$
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the Statement of Financial Position as follows:		
- Cash on Hand	20	20
	<u>20</u>	<u>20</u>

NOTE 10: HIRE PURCHASE AGREEMENT

CYC Ramp Pty Ltd, as trustee for the CYC Ramp Trust, has leased the Western Marina Basin to the CYC (SA) Management Pty Ltd, as trustee for the CYC (SA) Unit Trust, for a term commencing on 1 November 2008, and ending on November 2083, for rent as agreed by the directors. The CYC (SA) Management Pty Ltd, as trustee for the CYC (SA) Unit Trust has agreed to under lease that portion of the marina basin on which Marina West is situated to the Cruising Yacht Club of South Australia Inc. (the Club) for a term commencing on 1 November 2008 and ending on 31 October 2083, at the same rent.

The lease of the land is without the infrastructure. The infrastructure has been separately sold to the Cruising Yacht Club of SA Incorporated. The Club has acquired the infrastructure pursuant to a hire purchase agreement pursuant to which each hire instalment is paid when the club sells the license to occupy a berth to a Club member and CYC (SA) Management Pty Ltd issues units in CYC (SA) Unit Trust.

NOTE 11: EVENTS OCCURRING AFTER REPORTING DATE

There were no events subsequent to 31 May 2019 that need to be disclosed in the financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Trustees of the CYC Ramp Trust

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of the CYC Ramp Trust (the entity), which comprises the Statement of Financial Position as at 31 May 2019, the Statement of Comprehensive Income, the Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Directors.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the entity as at 31 May 2019, and of its financial performance for the year then ended in accordance with the accounting policies used and described in Note 1 to the financial statements.

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 entity in accordance with the auditor independence requirements of 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 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

Without modifying our opinion, we draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report is a special purpose financial report that has been prepared for the purpose of fulfilling the director's financial report responsibilities and needs. Our opinion is not modified in respect of this matter.

Responsibilities of Management for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the need of the directors. Management's responsibility also includes such internal control as Management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The directors of CYC Ramp Pty Ltd as trustee of the CYC Ramp Trust are responsible for overseeing the entity's financial reporting process.

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 the audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's 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 entity'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 entity 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 those charged with governance 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.

DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS



SAMANTHA CRETEN
PARTNER

Signed on the 5th day of August 2019,
at 214 Melbourne Street, North Adelaide