

**Cruising Yacht Club
of South Australia**

The Cruising Yacht Club of SA Incorporated

ABN: 63 536 595 624

Financial Report

For the Year Ended 31 May 2019

The Cruising Yacht Club of SA Incorporated

ABN: 63 536 595 624

For the year ended 31 May 2019

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The Cruising Yacht Club of SA Incorporated

ABN: 63 536 595 624

For the year ended 31 May 2019

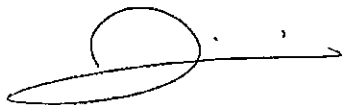
STATEMENT BY THE BOARD OF MANAGEMENT

In the opinion of the Board of Management, the Financial Report as set out on pages 4 to 20:

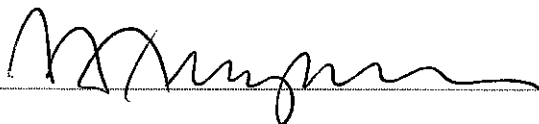
1. Presents fairly the financial position of The Cruising Yacht Club of SA Incorporated as at 31 May 2019 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that The Cruising Yacht Club of SA Incorporated will be able to pay its debts as and when they fall due.
3. In accordance with Section 35(5) of the *Associations Incorporation Act 1985*, the Board of The Cruising Yacht Club of SA Incorporated hereby states that during the year ended 31 May 2019:
 - Other than disclosed in Note 21 in the financial statements, no officer of the Club has, since the end of the previous financial year, received, or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the officers of the Club shown in the financial report) as a result of a contract between the officer or a firm of which they are a member or an entity in which has a substantial financial interest and the Club;
 - No officer of the Club has, since the end of the previous financial year, received directly or indirectly from the Club, any payment or other benefit of a pecuniary value (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the officers of the Club shown in the financial report).

This statement is made in accordance with a resolution of the Board of Management and is signed for and on behalf of the Board of Management by:

President



Treasurer



Dated this

3rd day of August 2019

The Cruising Yacht Club of SA Incorporated

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For the year ended 31 May 2019

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MAY 2019

	Note	2019 \$	2018 \$
REVENUE			
Revenue	2	3,217,153	3,184,559
Other revenue	2	2,930,904	645,117
TOTAL REVENUE		6,148,057	3,829,676
EXPENSES			
Employee benefits expense		1,455,583	1,389,793
Depreciation	9	240,361	241,180
Other expenses	3	830,699	807,470
Cost of sales		589,044	533,548
Insurance		112,559	99,704
Rates & taxes		137,263	118,423
Repairs & maintenance expenses		174,984	135,501
TOTAL EXPENSES		3,540,493	3,325,619
NET PROFIT / (LOSS)		2,607,564	504,057
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		2,607,564	504,057

The accompanying notes form part of these financial statements.

The Cruising Yacht Club of SA Incorporated

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STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2019

	Note	2019	2018
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	303,649	40,416
Trade and other receivables	5	66,935	53,895
Inventories	6	43,480	70,921
Other assets	7	174,442	249,768
Financial Assets	8	5,548,344	-
TOTAL CURRENT ASSETS		6,136,850	415,000
NON-CURRENT ASSETS			
Trade and other receivables	5	3,646,231	5,487,020
Property, plant and equipment	9	6,950,113	7,076,126
TOTAL NON-CURRENT ASSETS		10,596,344	12,563,146
TOTAL ASSETS		16,733,194	12,978,146
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	483,383	580,675
Borrowings	11	-	-
Short-term provisions	12	159,908	234,575
TOTAL CURRENT LIABILITIES		643,291	815,250
NON-CURRENT LIABILITIES			
Trade and other payables	10	4,550,187	4,698,318
Borrowings	11	2,872,994	2,872,994
Long-term provisions	12	20,554	7,791
TOTAL NON-CURRENT LIABILITIES		7,443,735	7,579,103
TOTAL LIABILITIES		8,087,026	8,394,353
NET ASSETS		8,646,168	4,583,793
EQUITY			
Reserves	16	43,790	27,034
Retained earnings		8,602,378	4,556,759
TOTAL EQUITY		8,646,168	4,583,793

The accompanying notes form part of these financial statements.

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

	Retained Earnings \$	Ramp Trust Distribution Reserve \$	Marine Academy Reserve \$	Total \$
Balance at 1 June 2017	4,061,616	-	18,120	4,079,736
Transfer to/(from) Reserves	(8,914)	-	8,914	-
Operating Result for the Year	504,057	-	-	504,057
Balance at 31 May 2018	4,556,759	-	27,034	4,583,793
Balance at 1 June 2018	4,556,759	-	27,034	4,583,793
Transfer to/(from) Reserves	1,438,055	(1,454,811)	16,756	-
Operating Result for the Year	2,607,564	-	-	2,607,564
Capital Distributions Received	-	1,454,811	-	1,454,811
Balance at 31 May 2019	8,602,378	-	43,790	8,646,168

The Cruising Yacht Club of SA Incorporated

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MAY 2019

	Note	2019	2018
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt from customers		3,754,157	3,738,801
Payments to suppliers and employees		(3,375,537)	(3,245,285)
Receipt from investments		413,759	-
Interest received		970	5,468
Net cash provided by (used in) operating activities		793,349	498,984
CASH FLOWS FROM INVESTING ACTIVITIES			
Transfer – Related Entities		5,143,886	(697,729)
Payment for property, plant and equipment		(125,658)	(145,772)
Purchase of Investments		(5,548,344)	-
Net cash provided by (used in) investing activities		(530,116)	(843,501)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	-
Net cash provided by (used in) financing activities		-	-
Net increase / (decrease) in cash held		263,233	(344,517)
Cash and cash equivalents at beginning of financial year		40,416	384,933
Cash and cash equivalents at end of financial year	4, 17	303,649	40,416

The accompanying notes form part of these financial statements.

The Cruising Yacht Club of SA Incorporated

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were authorised for issue on 25 July 2019 by the Board of Directors.

Basis of Preparation

The Cruising Yacht Club of SA Incorporated (the Club) applies Australian Accounting Standards (AASB) – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and other applicable Australian Accounting Standards – Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Associations Incorporation Act 1985*. The Club is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a. Income Tax

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

b. Property, Plant and Equipment

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(e) for details of impairment).

The cost of fixed assets constructed within by the entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Club and the cost of the item can be measured reliably.

All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use.

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Class of Fixed Asset	Depreciation Rate
Buildings	2.5 – 3 %
Marina & Walkways	2 – 7 %
Plant and Equipment	5 – 50 %

Gains and losses on disposals are determined by comparing net proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they occur.

c. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the Club, are classified as finance leases.

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

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Club will obtain ownership of the asset or ownership over the term of the lease.

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

d. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Club commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised immediately as expenses in profit or loss.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *Financial liabilities*

Non-derivative financial liabilities are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Club recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

De-recognition

Financial assets are derecognised when the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged or cancelled, or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

e. **Impairment of Assets**

At the end of each reporting period, the Club assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Club estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

f. 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.

g. Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

h. Non-current Assets Held For Sale

The Marina Berth held for sale is classified separately from other assets in Note 7 of the statement of financial position as its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

i. Revenue and Other Income

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risk and reward of ownership of the goods and the cessation of all involvement in those goods.

Annual member subscriptions and fees raised by the Club during the year are recognised as gross revenue.

License rental income to occupy Marina West berths have been accounted for in accordance with AASB 117 *Leases*. In accordance with that standard, the license to occupy a berth income received is proportionately recognised over a 40 year period. The amount of license income received that represents income to be earned in future accounting periods is disclosed in the Statement of Financial Position as being revenue received in advance.

The accounting policy for the historic sale of Marina East Berths was to recognise the entire License Income in the year received.

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

j. Borrowing Costs

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

All other borrowing costs are recognised as expenses in the period in which they are incurred.

k. Comparative Figures

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

l. Accounts Payable and Other Payables

Accounts payable and other payables represent the liabilities outstanding at the end of the reporting period for goods and services received by the Club during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

m. **New and Amended Accounting Policies Adopted by the Entity**

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the entity has decided not to early adopt. The entity does not expect these requirements to have any material effect on the entity's financial statements.

n. **Key Estimates**

(i) *Impairment*

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

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

NOTE 2: REVENUE AND OTHER INCOME	2019	2018
	\$	\$
Revenue		
Sale of goods	1,284,646	1,240,897
Commissions	73,435	113,966
Corporate fees	1,301,818	1,283,224
Membership subscriptions	557,254	546,472
	3,217,153	3,184,559
Other Revenue		
Other income	417,956	404,584
Marina West licence income	148,131	148,131
Sinking Fund Investment income	413,759	-
Slipping income	102,772	92,402
Distribution from CYC Ramp Trust	1,848,286	-
	2,930,904	645,117

NOTE 3: OTHER EXPENSES

Audit fees	13,464	13,200
Advertising and marketing	49,770	44,309
Event hire expenses	33,301	30,653
Rental expenses	147,318	152,119
Utilities	127,306	84,237
Subscriptions	37,994	35,849
Workcover	30,665	29,349
Operational Expenses	390,880	369,394
	830,698	807,470

NOTE 4: CASH AND CASH EQUIVALENTS

Cash at bank and in hand		13,185	40,017
Savings account		88	399
Cash on hand – Sinking Fund	5	290,376	-
		303,649	40,416

The effective interest rate on the savings account was 0.01% (2018: 0.01%)

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the Statement of Financial Position as follows:

- Cash and cash equivalents	303,649	40,416
- Bank overdraft	-	-
	303,649	40,416

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

NOTE 5: TRADE AND OTHER RECEIVABLES

	2019	2018
	\$	\$
CURRENT		
Trade receivables	87,935	74,895
Provision for impairment	(21,000)	(21,000)
	66,935	53,895
NON-CURRENT		
Loan account: CYC (SA) Unit Trust (unsecured)	1,789,143	1,487,552
Loan account: CYC Ramp Trust (unsecured)	1,857,088	3,999,468
	3,646,231	5,487,020

Provision for Impairment

Current trade receivables are non-interest bearing loans and generally are receivable within 7 to 30 days. A provision for impairment is recognised against trade receivables where there is objective evidence that an individual trade receivable is impaired. These amounts have been listed separately as impairment expenses.

Movement in the Provision for Impairment of Receivables is as follows:

	2019	2018
	\$	\$
Opening provision for impairment	21,000	21,000
Charge for the year	-	-
Written off	-	-
Closing provision for impairment	21,000	21,000

NOTE 6: INVENTORIES

At lower of cost or net realisable value

- Stock on hand	43,480	70,921
	43,480	70,921

NOTE 7: OTHER ASSETS

Marina Berth held for sale – at cost	150,000	150,000
Prepayments	24,442	99,768
	174,442	249,768

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

NOTE 8: FINANCIAL ASSETS

		2019	2018
		\$	\$
CURRENT			
Investments in equity instruments designated as at fair value through comprehensive income - Sinking Fund Investments	8a	5,548,344	-
Total current assets		<u>5,548,344</u>	<u>-</u>
a. Investments in equity instruments designated as at fair value through comprehensive income			
Listed investments, at fair value:			
- shares in listed corporations	15	5,548,344	-
		<u>5,548,344</u>	<u>-</u>

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

	2019	2018
	\$	\$
NOTE 9: PROPERTY, PLANT AND EQUIPMENT		
Leased Asset – At Deemed Cost	-	-
Accumulated Depreciation	-	-
	<u>-</u>	<u>-</u>
Plant and Equipment – At Deemed Cost	1,087,045	1,096,896
Accumulated Depreciation	(757,140)	(802,058)
	<u>329,905</u>	<u>294,838</u>
Office Equipment – At Deemed Cost	144,115	194,844
Accumulated Depreciation	(113,298)	(149,980)
	<u>30,817</u>	<u>41,864</u>
Marina and Improvements – At Deemed Cost	8,504,346	8,491,416
Accumulated Depreciation	(1,938,095)	(1,775,816)
	<u>6,566,251</u>	<u>6,715,600</u>
Works-in-Progress (WIP)	23,140	23,824
Total property, plant and equipment	<u><u>6,950,113</u></u>	<u><u>7,076,126</u></u>

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Leased Asset	Plant and Equipment	Office Equipment	Marina and Improvements	WIP	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 June 2018	-	294,838	41,864	6,715,600	23,824	7,076,126
Additions/Capitalised Costs	-	98,121	3,981	12,930	10,626	125,658
Transfers	-	-	-	-	(11,310)	(11,310)
Disposals	-	-	-	-	-	-
Depreciation expense	-	(63,054)	(15,028)	(162,279)	-	(240,361)
Carrying amount at 31 May 2019	<u>-</u>	<u>329,905</u>	<u>30,817</u>	<u>6,566,251</u>	<u>23,140</u>	<u>6,950,113</u>

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

NOTE 10: TRADE AND OTHER PAYABLES

	2019	2018
	\$	\$
CURRENT		
Trade payables	124,304	159,814
Marina West revenue in advance	148,140	148,140
Other payables	210,939	272,721
	<u>483,383</u>	<u>580,675</u>

Terms and conditions of the above financial liabilities are as follows:

- Trade payables and non-interest bearing and are normally settled on a 60 day terms.

NON-CURRENT

Unsecured Liabilities

Marina West revenue in advance	4,550,187	4,698,318
	<u>4,550,187</u>	<u>4,698,318</u>

NOTE 11: BORROWINGS

NON-CURRENT

Secured Liabilities

Hire Purchase liabilities	2,872,994	2,872,994
	<u>2,872,994</u>	<u>2,872,994</u>

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

NOTE 12: PROVISIONS	2019	2018
	\$	\$
CURRENT		
Provision for annual leave	95,589	149,410
Provision for long service leave	64,319	85,165
	159,908	234,575
NON-CURRENT		
Provision for long service leave	20,554	7,791
	20,554	7,791

Employee Provisions – Annual Leave Entitlements

The provision for employee benefits represents amounts accrued for annual leave.

Based on past experience, the Club expects the full amount of annual leave balance to be settled within the next 12 months. Further, these amounts must be classified as current liabilities since the Club does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlements.

NOTE 13: EVENTS AFTER THE REPORTING PERIOD

There were no events after reporting date that were required to be disclosed.

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

NOTE 14: FINANCIAL RISK MANAGEMENT

The entity's financial instruments consist mainly of accounts receivable, shares in listed corporations and payables.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 *Recognition and Measurement* as detailed in the accounting policies to these financial statements, are as follows:

	Note	2019 \$	2018 \$
Financial assets			
Cash and cash equivalents	4	303,649	40,416
Accounts receivable and other debtors	5	3,713,166	5,540,915
Investments in equity instruments designated as at fair value through other comprehensive income:			
shares in listed corporations	8,15	5,548,344	-
Total financial assets		9,565,159	5,581,331
Financial liabilities			
Financial liabilities at amortised cost:			
- accounts payable and other payables	10	335,243	432,537
- Hire Purchase liabilities	11	2,872,994	2,872,994
Total financial liabilities		3,208,237	3,305,531

NOTE 15: FAIR VALUE MEASUREMENTS

The entity has the following assets, as set out in the table below, that are measured at fair value on a recurring basis after initial recognition.

The association does not subsequently measure any liabilities at fair value on a recurring basis.

	Note	2019 \$	2018 \$
Recurring fair value measurements			
<i>Financial assets</i>			
Financial assets at fair value through comprehensive income:			
- shares in listed corporations	8, 14	5,548,344	-
Total financial assets recognised at fair value on a recurring basis		5,548,344	-

For investments in listed shares, the fair values have been determined based on closing quoted bid prices at the end of the reporting period.

The Cruising Yacht Club of SA Incorporated

ABN: 63 536 595 624

For the year ended 31 May 2019

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

NOTE 16: RESERVES

Marine Academy

The Marina Academy Donations reserve was established in the 2016/17 financial year with the express purpose of recognising donations received from Members and committing these funds towards future expenditure on the development of the Club's Marine Academy.

During the financial year, the Club transferred an additional \$16,756 to the reserve.

Ramp Trust Distribution Reserve

The sale of the boat ramp assets resulted in a net cash proceeds (after settlement costs) of \$5.45M. The carrying value of boat ramp trust assets were \$3.68M. A profit on disposal was recorded being \$1.77M by the Ramp Trust.

The carrying value of the assets disposed had previously been revalued. The difference between the original cost of \$2.22M and the revalued amount of \$3.67M resulted in a capital profit of \$1.45M.

This amount was distributed by the Ramp Trust as a capital distribution. As a result the Club has treated this amount as capital and has been applied directly to retained earnings.

NOTE 17: CASH FLOW INFORMATION

	2019	2018
	\$	\$
Reconciliation of Cash		
Cash at end of the financial year as shown in the cash flow statement is reconciled to the items in the Statement of Financial Position as follows:		
- Cash and cash equivalents	303,649	40,416
	303,649	40,416

NOTE 18: CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments

Payable – minimum lease payments:

- No later than 12 months	7,870	7,870
- Between 1 – 5 years	19,120	39,460
	26,990	47,330

(b) Capital Expenditure Commitments

- No later than 12 months	-	-
- Between 1 – 5 Years	-	-
	-	-

The Cruising Yacht Club of SA Incorporated

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

NOTE 19: CONTINGENT LIABILITIES

A bill discount line is provided to 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 the CYC Ramp Trust, Cruising Yacht Club of SA Inc. and CYC (SA) Management Pty Ltd as trustee for the CYC (SA) Unit Trust. At 31 May 2019 \$Nil (2018: \$Nil) was drawn down on the bill discount line. In addition, a registered mortgage has been provided over the non-current assets of CYC (SA) Unit Trust.

A bank overdraft facility of \$100,000 is provided to the Cruising Yacht Club of SA Inc., which is secured by an unlimited interlocking guarantee for CYC (SA) Management Pty Ltd as trustee for the CYC (SA) Unit Trust and CYC Ramp Pty Ltd as trustee for the CYC Ramp Trust. The facility was drawn down of \$Nil at 31 May 2019 (2018: \$Nil).

The Club has an undrawn bank overdraft facility as at 31 May 2019 of \$100,000 held with the Westpac Banking Corporation.

NOTE 20: HIRE PURCHASE AGREEMENT

The Minister for Transport has leased the Port Vincent Marina Basin to the Yorke Peninsula Council for a term of 99 years commencing from 1 May 2003. The Council has agreed to under lease that portion of the marina basin on which the Marina is situated to CYC (SA) Management Pty Ltd for an annual rent of \$500 per annum with an annual CPI increase every year after (if demanded) for a term of 99 years less one day commencing on 1 May 2003. CYC (SA) Management Pty Ltd has under leased the area it is leasing to the Cruising Yacht Club of South Australia Inc. (the Club) for the same nominal rent and on the same terms and conditions for a term of 99 years less 2 days commencing 1 May 2003.

The lease is of the land without the infrastructure. The infrastructure is separately hired from the developer Paradise Developments (Investments) Pty Ltd. The Club is acquiring the infrastructure pursuant to a hire purchase agreement in which each hire instalment is paid when the Club sells a licence to occupy a berth to a Club member and CYC (SA) Management Pty Ltd issues units in CYC (SA) Unit Trust to a value which in aggregate equals the hire instalment amount. The Club can require transfer of ownership of each marina finger when one half of the berths which use that marina finger for access have been licensed to Club members.

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 1 October 2083, at the same rent.

The lease is of the land without the infrastructure. The infrastructure has been separately acquired from the CYC Ramp Pty Ltd, as trustee for the CYC Ramp Trust. The Club has acquired the infrastructure pursuant to a hire purchase agreement to which each hire instalment is paid when the Club sells a license to occupy a berth to a Club member and CYC (SA) Management Pty Ltd issues units in CYC (SA) Unit Trust.

The Cruising Yacht Club of SA Incorporated

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For the year ended 31 May 2019

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

NOTE 21: KEY MANAGEMENT PERSONNEL

	Salary \$	Superannuation Contributions \$	Non-Cash Benefits \$
2019	208,141	11,629	210
2018	161,980	15,388	520

The Club's position of General Manager (formerly Chief Executive Officer) remuneration is the only position reflected in the above figures disclosed. In 2019 a new General Manager was appointed. The 2019 salary figure includes leave entitlement payouts for the departing Chief Executive Officer.

NOTE 22: RELATED PARTY TRANSACTIONS

No Board Members, through entities associated with them, provided goods and/or services during the year to the Club.

NOTE 23: CLUB'S DETAILS

The registered office of the Club is:

Cruising Yacht Club of South Australia Inc.

Lady Gowrie Drive

NORTH HAVEN SA 5018