



**Cruising Yacht Club  
of South Australia**

**The Cruising Yacht Club of SA Incorporated  
& Controlled Entities**

**Financial Report**

For the Year Ended 31 May 2019

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2019

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# The Cruising Yacht Club of SA Incorporated & Controlled Entities


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 24:

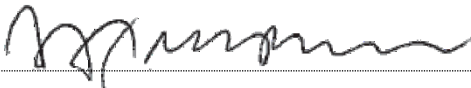
1. Presents fairly the financial position of The Cruising Yacht Club of SA Incorporated & its Controlled Entities (the "consolidated group") as at 31 May 2019 and its performance for the year ended on that date in accordance with the Australian Accounting Standards (including Australian Accounting Interpretations), 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 consolidated group 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 consolidated group hereby states that during the year ended 31 May 2019:
  - Other than disclosed in Note 23 in the financial statements, no officer of the consolidated group 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 consolidated group 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 in the consolidated group;
  - No officer of the consolidated group has, since the end of the previous financial year, received directly or indirectly from the consolidated group, 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 consolidated group 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 & Controlled Entities

For the year ended 31 May 2019

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MAY 2019

	<b>Note</b>	<b>Consolidated Group</b>	
		<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
<b>REVENUE</b>			
Revenue	2	3,948,033	3,924,180
Other revenue	2	453,700	36,024
Profit on Sale	3	1,772,103	-
<b>TOTAL REVENUE</b>		<b>6,173,836</b>	<b>3,960,204</b>
<b>EXPENSES</b>			
Employee benefits expense		1,455,583	1,389,793
Depreciation	10	449,149	444,815
Other expenses	4	974,472	972,975
Finance costs		16,110	34,189
Cost of sales		589,044	533,548
Insurance		112,559	99,704
Repairs & maintenance		140,341	140,282
<b>TOTAL EXPENSES</b>		<b>3,737,258</b>	<b>3,615,306</b>
<b>NET PROFIT / (LOSS)</b>		<b>2,436,578</b>	<b>344,898</b>
Other Comprehensive Income		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>2,436,578</b>	<b>344,898</b>

The accompanying notes form part of these financial statements.

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2019

## STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2019

	Note	Consolidated Group	
		2019	2018
		\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	303,669	40,436
Trade and other receivables	6	66,935	53,895
Inventories	7	43,480	70,921
Other assets	8	174,442	249,768
Financial assets	9	5,548,344	-
<b>TOTAL CURRENT ASSETS</b>		<b>6,136,870</b>	<b>415,020</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	16,768,717	20,396,016
<b>TOTAL NON-CURRENT ASSETS</b>		<b>16,768,717</b>	<b>20,396,016</b>
<b>TOTAL ASSETS</b>		<b>22,905,587</b>	<b>20,811,036</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	505,851	601,775
Borrowings		-	-
Short-term provisions	12	159,908	234,575
<b>TOTAL CURRENT LIABILITIES</b>		<b>665,759</b>	<b>836,350</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	11	4,550,187	4,698,318
Borrowings	13	905,648	940,648
Long-term provisions	12	20,554	7,791
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>5,476,389</b>	<b>5,646,757</b>
<b>TOTAL LIABILITIES</b>		<b>6,142,148</b>	<b>6,483,107</b>
<b>NET ASSETS</b>		<b>16,763,439</b>	<b>14,327,929</b>
<b>EQUITY</b>			
Issued capital	14	6,136,319	6,137,387
Reserves	16	1,464,290	1,447,534
Retained earnings		9,162,830	6,743,008
<b>TOTAL EQUITY</b>		<b>16,763,439</b>	<b>14,327,929</b>

The accompanying notes form part of these financial statements.

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2019

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

	Contributed Equity	Retained Earnings	Premium Reserve	Marine Academy Reserve	Total
	\$	\$	\$	\$	\$
<b>Consolidated Group</b>					
<b>Balance at 1 June 2017</b>	<b>6,135,737</b>	<b>6,484,174</b>	<b>1,343,350</b>	<b>18,120</b>	<b>13,981,381</b>
Contributed (Reduction) in Capital	1,650	-	-	-	<b>1,650</b>
Operating Result for the Year	-	344,898	-	-	<b>344,898</b>
Transfer Between Reserves	-	(86,064)	77,150	8,914	-
<b>Balance at 31 May 2018</b>	<b>6,137,387</b>	<b>6,743,008</b>	<b>1,420,500</b>	<b>27,034</b>	<b>14,327,929</b>
<b>Balance at 1 June 2018</b>	<b>6,137,387</b>	<b>6,743,008</b>	<b>1,420,500</b>	<b>27,034</b>	<b>14,327,929</b>
Contributed (Reduction) in Capital	(1,068)	-	-	-	<b>(1,068)</b>
Operating Result for the Year	-	2,436,578	-	-	<b>2,436,578</b>
Transfer Between Reserves	-	(16,756)	-	16,756	-
<b>Balance at 31 May 2019</b>	<b>6,136,319</b>	<b>9,162,830</b>	<b>1,420,500</b>	<b>43,790</b>	<b>16,763,439</b>

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2019

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MAY 2019

	Note	Consolidated Group	
		2019	2018
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipt from customers		4,174,120	4,187,329
Interest received		970	5,468
Payments to suppliers and employees		(3,664,037)	(3,527,397)
Receipt from investments		413,759	-
Interest paid		(16,110)	(34,189)
<b>Net cash provided by (used in) operating activities</b>		<b>908,702</b>	<b>631,211</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of property, plant and equipment		5,450,378	-
Payments for property, plant and equipment		(511,434)	(485,407)
Purchase of investments		(5,548,344)	-
<b>Net cash provided by (used in) investing activities</b>		<b>(609,400)</b>	<b>(485,407)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds / (Repayments) from borrowings	13	(35,001)	(491,971)
Proceeds / (Redemption) from issue of units in Unit Trust		(1,068)	1,650
<b>Net cash provided by (used in) financing activities</b>		<b>(36,069)</b>	<b>(490,321)</b>
Net increase / (decrease) in cash held		263,233	(344,517)
Cash and cash equivalents at beginning of financial year		40,436	384,953
<b>Cash and cash equivalents at end of financial year</b>	<b>5</b>	<b>303,669</b>	<b>40,436</b>

The accompanying notes form part of these financial statements.

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

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

#### **Basis of Preparation**

The Cruising Yacht Club of SA Inc. (the Club) & Controlled Entities comprising the Club, CYC (SA) Unit Trust and CYC Ramp Trust, as a consolidated group (the economic entity), 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 and the *Associations Incorporation Act 1985*. The economic entity 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 entity is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*. Under current income tax legislation, the CYC (SA) Unit Trust and the CYC Ramp Trust are not liable to income tax provided their taxable income is fully distributed to beneficiaries.

##### **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 entity 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. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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



# The Cruising Yacht Club of SA Incorporated & Controlled Entities

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

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings	2.5 – 3 %
Marina & Walkways	2 – 7 %
Plant and Equipment	5 – 50 %
Inner Breakwater	1%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

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 economic entity, 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 economic entity 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.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of 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 entity 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*.

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

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 *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

(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.

(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 entity 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.

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

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

#### **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 Group 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 entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

#### **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. Refer to Note 1(e) for further discussion on the determination of impairment losses.

#### **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 economic entity during the year are recognised as gross revenue.

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

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

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. 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 statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

#### **l. Comparative Figures**

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

#### **m. 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 entity 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.

#### **n. 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.

#### **o. Key Estimates**

##### **(i) Impairment**

The economic entity assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Consolidated 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.

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2019

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

### NOTE 2: REVENUE AND OTHER INCOME

	<b>Consolidated</b>	<b>Group</b>
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Sale of goods – food & beverage, retail	1,284,646	1,240,897
Sundry Function income	71,335	37,202
Commissions	73,435	113,966
Corporate fees	1,301,818	1,283,224
Membership subscriptions	557,254	546,472
Income – Marine Academy	87,049	89,599
Ramp income	101,963	130,528
Licence fees – Marina West	148,131	148,131
Interest	970	2,570
Slipping income	102,272	92,402
Sponsorship	6,789	15,500
Equipment hire	15,112	15,051
Lease income	29,076	38,390
Marketing	27,204	24,726
Racing association income	128,097	116,507
Social activities income	-	18,686
Cruising association income	4,000	4,000
Fishing association income	8,882	6,329
Other income – Investment revenue	413,759	-
Other income	39,941	36,024
	<b>4,401,733</b>	<b>3,960,204</b>

### NOTE 3: OTHER COMPREHENSIVE INCOME

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Profit from sale of Boat Ramp	(16) 1,772,103	-
	<b>1,772,103</b>	<b>-</b>

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2019

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

### NOTE 4: OTHER EXPENSES

	Consolidated Group	
	2019	2018
	\$	\$
Advertising and marketing	49,770	45,868
Audit fees	13,464	13,200
Bank charges	29,382	30,637
Club publications	24,363	23,201
Computer expenses	62,000	66,744
Cruising association expenses	-	384
Fishing association expenses	-	5,813
Marine Academy Expenses	47,344	48,390
Operational expenses	224,386	236,335
Racing association expenses	122,196	101,662
Rates & taxes	274,262	280,001
Social activities expenses	-	18,624
Utilities	127,306	102,116
	<b>974,472</b>	<b>972,975</b>

### NOTE 5: CASH & CASH EQUIVALENTS

Cash on hand		6,535	40,017
Cash at bank		6,758	419
Cash at bank – Sinking Fund	9	290,376	-
		<b>303,669</b>	<b>40,436</b>

*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	303,669	40,436
- Bank overdraft	-	-
	<b>303,669</b>	<b>40,436</b>

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2019

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

### NOTE 6: TRADE AND OTHER RECEIVABLES

	Consolidated Group	
	2019	2018
	\$	\$
<b>CURRENT</b>		
Trade receivables	87,935	74,895
Provision for impairment	(21,000)	(21,000)
	<b>66,935</b>	<b>53,895</b>

#### 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:

Opening provision for impairment	21,000	21,000
Charge for the year	-	-
Closing provision for impairment	<b>21,000</b>	<b>21,000</b>

### NOTE 7: INVENTORIES

*At lower of cost or net realisable value*

- Stock on hand	43,480	70,921
	<b>43,480</b>	<b>70,921</b>

### NOTE 8: OTHER ASSETS

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

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2019

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

### NOTE 9: FINANCIAL ASSETS

#### CURRENT

Investments in equity instruments designated as at fair value through comprehensive income - Sinking Fund Investments	9a	5,548,344	-
Total current assets	(1)	<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	18	5,548,344	-
		<u>5,548,344</u>	<u>-</u>

(1) *The combined value of the Sinking Fund including investments and cash is \$5,838,720. The Sinking Fund was established in November 2018 subsequent to the sale of the Boat Ramp. The Board set up an Investment Committee to advise the Board on strategies and investment decisions and to oversee the performance of the Fund. During the year the Committee engaged the firm Taylor Collison to provide regular market updates and brokerage services on request. The only fees paid to Taylor Collison are brokerage fees on trading activities.*



# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2019

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

### NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	<b>Consolidated Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Land – At Deemed Cost	<b>5,138,296</b>	6,800,000
Buildings – At Deemed Cost	3,615,896	3,615,896
Accumulated Depreciation	(820,945)	(698,068)
	<b>2,794,950</b>	<b>2,917,828</b>
Plant and Equipment – At Deemed Cost	1,220,397	1,230,249
Accumulated Depreciation	(835,874)	(874,124)
	<b>384,523</b>	<b>356,125</b>
Office Equipment – At Deemed Cost	144,115	191,844
Accumulated Depreciation	(113,298)	(149,980)
	<b>30,817</b>	<b>41,864</b>
Marina and Improvements (Marina West) – At Deemed Cost	8,504,347	8,491,416
Accumulated Depreciation	(1,938,095)	(1,775,816)
	<b>6,566,252</b>	<b>6,715,600</b>
Marina and Improvements (Marina East) – At Deemed Cost	3,172,826	2,787,050
Accumulated Depreciation	(1,342,088)	(1,271,656)
	<b>1,830,738</b>	<b>1,515,394</b>
Inner Breakwater – At Deemed Cost	-	2,100,755
Accumulated Depreciation	-	(75,374)
	-	<b>2,025,381</b>
Works-in-Progress (WIP)	<b>23,140</b>	23,824
<b>Total property, plant and equipment</b>	<b>16,768,717</b>	<b>20,396,016</b>

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2019

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

### NOTE 10: PROPERTY, PLANT AND EQUIPMENT (CONT.)

#### 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:

	Land Assets	Buildings Assets	Plant and Equipment	Office Equipment	Marina and Improvements Marina West	Marina and Improvements Marina East	Inner Breakwater	WIP	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Consolidated Group</b>									
Balance at 1 June 2018	6,800,000	2,917,828	356,125	41,864	6,715,600	1,515,394	2,025,381	23,824	20,396,016
Additions	-	-	98,121	3,980	12,931	385,776	-	-	500,808
WIP Capitalised	-	-	-	-	-	-	-	10,626	10,626
Disposals	(1,661,704)	-	-	-	-	-	(2,016,569)	(11,310)	(3,689,583)
Depreciation expense	-	(122,877)	(69,722)	(15,027)	(162,279)	(70,432)	(8,812)	-	(449,149)
<b>Carrying amount at 31 May 2019</b>	<b>5,138,296</b>	<b>2,794,951</b>	<b>384,523</b>	<b>30,817</b>	<b>6,566,252</b>	<b>1,830,738</b>	<b>-</b>	<b>23,140</b>	<b>16,768,717</b>

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2019

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

### NOTE 11: TRADE AND OTHER PAYABLES

	Consolidated Group	
	2019	2018
	\$	\$
<b>CURRENT</b>		
Trade payables	124,304	180,914
Marina West revenue in advance	148,140	148,140
Other payables	233,407	272,721
	<b>505,851</b>	<b>601,775</b>

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
	<b>4,550,187</b>	<b>4,698,318</b>

### NOTE 12: PROVISIONS

#### CURRENT

Provision for annual leave	95,589	149,410
Provision for long service leave	64,319	85,165
	<b>159,908</b>	<b>234,575</b>

#### NON-CURRENT

Provision for long service leave	20,554	7,791
	<b>20,554</b>	<b>7,791</b>

#### Employee Provisions – Annual Leave Entitlements

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

Based on past experience, the economic entity 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 economic entity does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlements.

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2019

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

### NOTE 13: BORROWINGS

	Consolidated Group	
	2019	2018
	\$	\$
Westpac Loan – Bar & Patio Redevelopment	905,648	940,648
	<b>905,648</b>	<b>940,648</b>

The entity borrowed \$1.349 million to fund the Bar & Patio Redevelopment Project.

The loan is structured as an interest only loan for an initial term of 3 years (expiring in September 2019) which upon expiry will require monthly principal and interest repayments to be made and repaid over a 10 year loan term. Management's intention is to renegotiate the loan before September 2019 to extend the term of the interest only structure.

As at 31 May 2019, the entity had access to \$440,000 of undrawn funds available from the Westpac Loan facility.

### NOTE 14: ISSUED CAPITAL

Settled Capital	592	592
122,173 (2018: 122,185) fully paid issued units at \$50 each	6,108,650	6,109,250
27,545 (2018: 27,545) fully paid issued units at \$1 each	27,077	27,545
	<b>6,136,319</b>	<b>6,137,387</b>

### NOTE 15: EVENTS AFTER THE REPORTING PERIOD

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

### 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. On consolidation, this transaction has been eliminated and the balance of amounts transferred are recorded within retained earnings of the Consolidated Entity.

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2019

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

### NOTE 17: CAPITAL AND LEASING COMMITMENTS

	Note	Consolidated Group	
		2019	2018
		\$	\$
<b>Operating Lease Commitments</b>			
<b>Payable – minimum lease payments:</b>			
No later than 12 months		7,870	7,870
Between 1 – 5 years		19,120	39,460
		<b>26,990</b>	<b>47,330</b>
<b>Capital Expenditure Commitments</b>			
No later than 12 months		-	-
Between 1 – 5 Years		-	-
		<b>-</b>	<b>-</b>

### NOTE 18: FINANCIAL RISK MANAGEMENT

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

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

#### Financial Assets

Cash and cash equivalents	5	303,669	40,436
Accounts receivable and other debtors	6	66,935	53,896

#### Investments in equity instruments designated as at fair value through other comprehensive income:

shares in listed corporations	9,19	5,548,344	-
<b>Total financial assets</b>		<b>5,918,948</b>	<b>94,332</b>

#### Financial Liabilities

Financial liabilities at amortised cost:

Accounts payable and other payables	11	335,243	453,635
Borrowings	13	905,648	940,648
<b>Total financial liabilities</b>		<b>1,240,891</b>	<b>1,394,283</b>

The economic entity has a bank overdraft facility amounting to \$100,000. This may be terminated at any time at the option of the bank. At 31 May 2019, \$Nil of this facility was used (2018: \$Nil). Interest rates are variable.

The entity has \$440,000 available in undrawn funds with the Westpac Bar ad Patio loan facility. The total limit of the facility is \$1.349 million.

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2019

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

### NOTE 19: 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 \$
<b>Recurring fair value measurements</b>			
<i>Financial assets</i>			
Financial assets at fair value through comprehensive income:			
– shares in listed corporations	9,18	5,548,344	-
<b>Total financial assets recognised at fair value on a recurring basis</b>		<b>5,548,344</b>	-

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

### NOTE 20: CONTINGENT LIABILITIES

A bill discount line is provided to CYC (SA) Management Pty Ltd as trustee for the CYC (SA) Unit Trust. Cross guarantees in support of the facility have been provided over the non-current assets of CYC (SA) Unit Trust. As at 31 May 2019 \$Nil was drawn down on the bill facility (2018: \$Nil).

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 at \$Nil at 31 May 2019 (2018: \$Nil).

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

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2019

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

### NOTE 21: LEASE 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.

### NOTE 22: KEY MANAGEMENT PERSONNEL

	<b>Salary</b>	<b>Superannuation</b>	<b>Non-Cash Benefits</b>
	<b>\$</b>	<b>Contributions</b>	<b>\$</b>
		<b>\$</b>	
2019	<b>208,141</b>	<b>11,629</b>	<b>210</b>
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 23: RELATED PARTY TRANSACTIONS

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

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2019

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

### **NOTE 24: CLUB'S DETAILS**

The registered office and principal place of business of the economic entity is:

Cruising Yacht Club of South Australia Inc.

Lady Gowrie Drive

NORTH HAVEN SA 5018