



**Cruising Yacht Club  
of South Australia**

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

**Financial Report**

**For the Year Ended 31 May 2021**

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2021

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# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2021

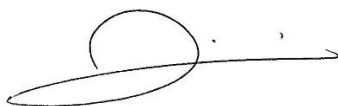
## STATEMENT BY THE BOARD OF MANAGEMENT

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 2021 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 2021:
  - 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 29th day of July 2021

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2021

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MAY 2021

	Note	Consolidated Group	
		2021	2020
		\$	\$
<b>REVENUE</b>			
Revenue	2	3,362,671	3,040,049
Other revenue	2	2,130,668	784,774
<b>TOTAL REVENUE</b>		<b>5,493,339</b>	<b>3,824,823</b>
<b>EXPENSES</b>			
Employee benefits expense		1,470,688	1,441,442
Depreciation	10	504,334	462,033
Other expenses	4	903,002	949,224
Finance costs		3,604	15,097
Cost of sales		574,870	469,475
Insurance		116,385	111,219
Repairs & maintenance		169,427	160,864
<b>TOTAL EXPENSES</b>		<b>3,742,310</b>	<b>3,609,354</b>
<b>NET PROFIT / (LOSS)</b>		<b>1,751,029</b>	<b>215,469</b>
Other Comprehensive Income		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>1,751,029</b>	<b>215,469</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 2021

## STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2021

	Note	Consolidated Group	
		2021	2020
		\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	843,115	3,586,369
Trade and other receivables	6	100,234	92,688
Inventories	7	54,550	40,177
Other assets	8	346,500	315,191
Financial assets	9	5,675,758	2,296,462
<b>TOTAL CURRENT ASSETS</b>		<b>7,020,157</b>	<b>6,330,887</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	17,419,207	16,984,680
<b>TOTAL NON-CURRENT ASSETS</b>		<b>17,419,207</b>	<b>16,984,680</b>
<b>TOTAL ASSETS</b>		<b>24,439,364</b>	<b>23,315,567</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	625,928	564,862
Short-term provisions	12	200,345	133,567
<b>TOTAL CURRENT LIABILITIES</b>		<b>826,273</b>	<b>698,429</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	11	4,276,704	4,424,920
Borrowings	13	600,000	1,175,648
Long-term provisions	12	7,350	37,062
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>4,884,054</b>	<b>5,637,630</b>
<b>TOTAL LIABILITIES</b>		<b>5,710,327</b>	<b>6,336,059</b>
<b>NET ASSETS</b>		<b>18,729,037</b>	<b>16,979,508</b>
<b>EQUITY</b>			
Issued capital	14	6,135,419	6,136,319
Reserves	16	1,493,115	1,479,140
Retained earnings		11,100,503	9,363,449
<b>TOTAL EQUITY</b>		<b>18,729,037</b>	<b>16,979,508</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 2021

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAY 2021

	Contributed Equity	Retained Earnings	Premium Reserve	Marine Academy Reserve	Total
	\$	\$	\$	\$	\$
<b>Consolidated Group</b>					
<b>Balance at 1 June 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>
Contributed (Reduction) in Capital	600	-	-	-	<b>600</b>
Operating Result for the Year	-	215,469	-	-	<b>215,469</b>
Transfer Between Reserves	-	(14,850)	-	14,850	-
<b>Balance at 31 May 2020</b>	<b>6,136,919</b>	<b>9,363,449</b>	<b>1,420,500</b>	<b>58,640</b>	<b>16,979,508</b>
<b>Balance at 1 June 2020</b>	<b>6,136,919</b>	<b>9,363,449</b>	<b>1,420,500</b>	<b>58,640</b>	<b>16,979,508</b>
Contributed (Reduction) in Capital	(1,500)	-	-	-	<b>(1,500)</b>
Operating Result for the Year	-	1,751,029	-	-	<b>1,751,029</b>
Transfer Between Reserves	-	(13,975)	-	13,975	-
<b>Balance at 31 May 2021</b>	<b>6,135,419</b>	<b>11,100,503</b>	<b>1,420,500</b>	<b>72,615</b>	<b>18,729,037</b>

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2021

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MAY 2021

	Note	Consolidated Group	
		2021	2020
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipt from customers		4,482,320	3,677,129
Interest received		-	-
Payments to suppliers and employees		(3,248,057)	(3,208,313)
Receipt from investments		126,699	213,296
Interest paid		(3,604)	(15,097)
<b>Net cash provided by (used in) operating activities</b>		<b>1,357,358</b>	<b>667,015</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of property, plant and equipment		-	-
Payments for property, plant and equipment		(975,260)	(677,996)
Purchase of investments		(3,124,470)	(404,746)
Proceeds from the sale of investments		576,266	3,427,827
<b>Net cash provided by (used in) investing activities</b>		<b>(3,523,464)</b>	<b>2,345,085</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds / (Repayments) from borrowings	13	(575,648)	270,000
Proceeds / (Redemption) from issue of units in Unit Trust		(1,500)	600
<b>Net cash provided by (used in) financing activities</b>		<b>(577,148)</b>	<b>270,600</b>
Net increase / (decrease) in cash held		(2,743,254)	3,282,700
Cash and cash equivalents at beginning of financial year		3,586,369	303,669
<b>Cash and cash equivalents at end of financial year</b>	5	<b>843,115</b>	<b>3,586,369</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 2021

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were authorised for issue on 29 July 2021 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 2021

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

### 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**

At inception of a contract, The CYC Incorporated & Controlled Entities assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by The CYC Incorporated & Controlled Entities where The CYC Incorporated & Controlled Entities is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

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.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, The CYC Incorporated & Controlled Entities uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Leases between related entities aren't recognised as they are cancelled out upon consolidation.

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2021

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 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 *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.

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2021

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **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.

#### **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.

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2021

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 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.

License rental income to occupy Marina West berths have been accounted for in accordance with AASB 16 *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.

#### 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.

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2021

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 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.

##### (ii) *Employee benefits*

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the economic entity expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the economic entity believes that obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligations are settled.

#### p. **Employee Provisions**

##### **Short-term employee benefits**

Provision is made for the economic entity's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The economic entity's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current accounts payable and other payables in the statement of financial position.

##### **Other long-term employee benefits**

Provision is made for employees' annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements of obligations for other long-term employee benefits for changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The economic entity's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the economic entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, in which case the obligations are presented as current provisions.

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2021

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

### NOTE 2: REVENUE AND OTHER INCOME

	Consolidated	Group
	2021	2020
	\$	\$
Sale of goods – food & beverage, retail	1,248,881	965,722
Sundry Function income	57,862	20,130
Commissions	88,379	82,563
Corporate fees	1,329,768	1,327,231
Membership subscriptions	554,031	556,518
Marine Academy income	105,342	66,947
Ramp income	83,750	87,885
Licence fees – Marina West	148,131	148,131
Interest income	-	-
Slipping income	136,932	114,194
Sponsorship	20,340	17,978
Equipment hire	14,818	15,685
Lease income	18,908	30,105
Marketing	15,676	14,201
Racing association income	91,066	94,472
Social activities income	1,255	3,095
Cruising association income	4,000	4,000
Fishing association income	12,315	11,016
Grant and subsidy income	380,682	-
Other income – Investment revenue	126,699	213,306
Other income – Unrealised gain/(loss) on investment	800,545	(612,141)
Other income – Realised gain on investment	30,547	386,352
Other income	223,412	277,433
	<b>5,493,339</b>	<b>3,824,823</b>

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2021

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

### NOTE 4: OTHER EXPENSES

	Consolidated Group	
	2021	2020
	\$	\$
Advertising and marketing	61,902	41,343
Audit fees	14,259	11,724
Bank charges	29,845	27,702
Club publications	19,042	12,785
Computer expenses	69,610	72,227
Marine Academy Expenses	53,807	53,186
Operational expenses	159,170	189,339
Racing association expenses	89,036	88,989
Social activities expenses	1,351	1,964
Cruising association expenses	337	239
Fishing association expenses	7,978	8,756
Rates & taxes	234,393	289,459
Utilities	108,467	120,463
External Consultants	53,805	31,048
	<b>903,002</b>	<b>949,224</b>

### NOTE 5: CASH & CASH EQUIVALENTS

Cash on hand		6,562	7,198
Cash at bank		49,298	30,398
Cash at bank – Sinking Fund	9	787,255	3,548,773
		<b>843,115</b>	<b>3,586,369</b>

*The effective interest rate on the savings account was 0.01% (2020: 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	843,115	3,586,369
- Bank overdraft	-	-
	<b>843,115</b>	<b>3,586,369</b>

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2021

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

### NOTE 6: TRADE AND OTHER RECEIVABLES

	Consolidated Group	
	2021	2020
	\$	\$
<b>CURRENT</b>		
Trade receivables	122,340	108,502
Provision for impairment	(22,106)	(15,814)
	<b>100,234</b>	<b>92,688</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	15,814	21,000
Charge for the year	6,292	(5,186)
Closing provision for impairment	<b>22,106</b>	<b>15,814</b>

### NOTE 7: INVENTORIES

*At lower of cost or net realisable value*

- Stock on hand	54,550	40,177
	<b>54,550</b>	<b>40,177</b>

### NOTE 8: OTHER ASSETS

Marina Berth held for sale – at cost	150,000	150,000
Prepayments	196,500	38,885
Income in advance	-	126,306
	<b>346,500</b>	<b>315,191</b>



# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2021

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

### NOTE 9: FINANCIAL ASSETS

		Consolidated Group	
		2021	2020
		\$	\$
CURRENT			
Investments in equity instruments designated as at fair value through comprehensive income - Sinking Fund Investments	9a	5,675,758	2,296,462
Total current assets	(1)	5,675,758	2,296,462
a.	<b>Investments in equity instruments designated as at fair value through comprehensive income</b>		
Listed investments, at fair value:			
–	shares in listed corporations	18	5,675,758
			2,296,462
		5,675,758	2,296,462

(1) The combined value of the Sinking Fund including investments and cash is \$6,463,013 (2020 \$5,845,235). The Sinking Fund was established in November 2018 subsequent to the sale of the Boat Ramp. The Board has engaged the firm Ord Minnett to manage the Fund.

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2021

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

### NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	<b>Consolidated Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Land – At Deemed Cost	<b>5,138,296</b>	5,138,296
Buildings – At Deemed Cost	3,694,583	3,650,056
Accumulated Depreciation	(1,082,910)	(949,950)
	<b>2,611,673</b>	2,700,106
Plant and Equipment – At Deemed Cost	1,874,223	1,462,133
Accumulated Depreciation	(883,408)	(908,337)
	<b>990,816</b>	553,796
Office Equipment – At Deemed Cost	167,270	167,270
Accumulated Depreciation	(141,623)	(124,691)
	<b>25,647</b>	42,579
Marina and Improvements (Marina West) – At Deemed Cost	8,570,856	8,542,680
Accumulated Depreciation	(2,265,950)	(2,100,788)
	<b>6,304,906</b>	6,441,892
Marina and Improvements (Marina East) – At Deemed Cost	3,805,142	3,473,877
Accumulated Depreciation	(1,530,340)	(1,428,287)
	<b>2,274,803</b>	2,045,590
Right-of-Use Asset	22,947	22,947
Accumulated Depreciation	(559)	(280)
	<b>22,388</b>	22,667
Work-in-Progress (WIP)	<b>50,678</b>	39,755
<b>Total property, plant and equipment</b>	<b>17,419,207</b>	16,984,680

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2021

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

### 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	Right of Use Asset	WIP	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Consolidated Group</b>									
Balance at 1 June 2020	5,138,296	2,700,106	553,795	42,580	6,441,892	2,045,589	22,667	39,755	16,984,680
Additions	-	44,527	530,616	-	-	-	-	400,115	975,258
WIP Transfers	-	-	-	-	28,174	331,265	-	(359,439)	-
Disposals	-	-	(6,646)	-	-	-	-	(29,753)	(36,399)
Depreciation expense	-	(132,959)	(86,950)	(16,932)	(165,160)	(102,053)	(279)	-	(504,333)
<b>Carrying amount at 31 May 2021</b>	<b>5,138,296</b>	<b>2,611,673</b>	<b>990,816</b>	<b>25,647</b>	<b>6,304,906</b>	<b>2,274,803</b>	<b>22,388</b>	<b>50,678</b>	<b>17,419,207</b>

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2021

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

### NOTE 11: TRADE AND OTHER PAYABLES

	<b>Consolidated Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Trade payables	227,526	105,038
Marina West revenue in advance	148,140	148,140
Other payables	250,262	311,684
	<b>625,928</b>	<b>564,862</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	4,276,704	4,424,920
	<b>4,276,704</b>	<b>4,424,920</b>

### NOTE 12: PROVISIONS

#### CURRENT

Provision for annual leave	124,826	99,067
Provision for long service leave	75,518	34,500
	<b>200,345</b>	<b>133,567</b>

#### NON-CURRENT

Provision for long service leave	7,350	37,062
	<b>7,350</b>	<b>37,062</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 2021

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

### NOTE 13: BORROWINGS

	Consolidated Group	
	2021	2020
	\$	\$
Westpac Loan	600,000	1,175,648
	<b>600,000</b>	<b>1,175,648</b>

In 2016/17, the entity borrowed \$1.349 million to fund the Bar & Patio Redevelopment Project.

The loan was extended in November 2019 for \$1,450,000 for a further term of 3 years and is structured as an interest only loan (expiring in November 2022) which upon expiry will require monthly principal and interest repayments to be made and repaid over a 10 year loan term.

As at 31 May 2021, the entity had access to \$950,000 of undrawn funds available from the Westpac Loan facility and the Westpac Overdraft Facility (limit of \$100,000).

### NOTE 14: ISSUED CAPITAL

Settled Capital	592	592
122,155 (2020: 122,185) fully paid issued units at \$50 each	6,107,750	6,109,250
27,077 (2020: 27,077) fully paid issued units at \$1 each	27,077	27,077
	<b>6,135,419</b>	<b>6,136,919</b>

### NOTE 15: EVENTS AFTER THE REPORTING PERIOD

There were no events subsequent to 31 May 2021 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 \$13,975 to the reserve.

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2021

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

### NOTE 17: CAPITAL AND LEASING COMMITMENTS

	Note	Consolidated Group	
		2021	2020
		\$	\$
<b>Operating Lease Commitments</b>			
<b>Payable – minimum lease payments:</b>			
No later than 12 months		2,440	7,320
Between 1 – 5 years		-	9,760
		<b>2,440</b>	<b>17,080</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	843,115	3,586,349
Accounts receivable and other debtors	6	100,234	92,688

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

shares in listed corporations	9,19	5,675,758	2,296,462
<b>Total financial assets</b>		<b>6,619,107</b>	<b>5,975,499</b>

#### Financial Liabilities

Financial liabilities at amortised cost:

Accounts payable and other payables	11	455,622	394,555
Borrowings	13	600,000	1,175,648
<b>Total financial liabilities</b>		<b>1,055,622</b>	<b>1,570,203</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 2021, \$Nil of this facility was used (2020: \$Nil). Interest rates are variable.

The entity has \$850,000 available in undrawn funds with the Westpac loan facility. The total limit of the facility is \$1.450 million.

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2021

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

### 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	2021	2020
Recurring fair value measurements		\$	\$
<i>Financial assets</i>			
Financial assets at fair value through comprehensive income:			
– shares in listed corporations	9,18	5,675,758	2,296,462
<b>Total financial assets recognised at fair value on a recurring basis</b>		<b>5,675,758</b>	<b>2,296,462</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 2021 \$Nil was drawn down on the bill facility (2020: \$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 2021 (2020: \$Nil).

The entity has an undrawn bank overdraft facility as at 31 May 2021 of \$100,000 held with the Westpac Banking Corporation.

# The Cruising Yacht Club of SA Incorporated & Controlled Entities

For the year ended 31 May 2021

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

### 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>	
2021	<b>118,654</b>	<b>11,272</b>	<b>759</b>
2020	116,327	11,051	753

The Club's position of General Manager remuneration is the only position reflected in the above figures disclosed.

### 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 2021

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

### **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

**HEAD OFFICE**

214 Melbourne Street  
North Adelaide SA 5006

PO Box 755  
North Adelaide SA 5006

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Dean Newbery  
ABN: 30 164 612 890

## INDEPENDENT AUDITOR'S REPORT

**To the members of the Cruising Yacht Club of SA Inc. & Controlled Entities**

### Report on the Audit of the Financial Report

#### Opinion

We have audited the accompanying financial report, being a general purpose financial report, of the Cruising Yacht Club of SA Inc. & Controlled Entities (the economic entity), which comprises the Statement of Financial Position as at 31 May 2021, the Statement of Comprehensive Income, the Statements of Changes in Equity, 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 on the annual statements giving a true and fair view of the financial position and performance of the economic entity.

In our opinion, the accompanying financial report of the Cruising Yacht Club of SA Inc. & Controlled Entities is in accordance with the requirements of the *Associations Incorporation Act (SA) 1985*, including;

- (i) giving a true and fair view of the economic entity's financial position as at 31 May 2021 and of its performance for the year then ended; and
- (ii) that the financial records kept by the economic entity are such as to enable financial statements to be prepared in accordance with Australian Accounting Standards.

#### 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 economic 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.

#### 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 economic 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 economic entity or to cease operations, or has no realistic alternative but to do so.

The directors of Cruising Yacht Club of SA Inc. & Controlled Entities are responsible for overseeing the economic 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 economic 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 economic 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 economic entity's 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the economic entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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**



**SAMANTHA CRETEN**  
**PARTNER**

Signed on the 2<sup>nd</sup> day of August 2021,  
at 214 Melbourne Street, North Adelaide