Cruising Yacht Club of South Australia

CYC (SA) Unit Trust

ABN: 11 018 983 989

Financial Report

For the Year Ended 31 May 2023

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CYC (SA) Unit Trust

ABN: 11 018 983 989

For the year ended 31 May 2023

STATEMENT BY THE DIRECTORS

In accordance with a resolution of the Board of Directors of the CYC (SA) Management Pty Ltd as trustee for the CYC (SA) Unit Trust, the directors of the trustee company declare that:

1. the financial statements and notes, as set out on pages 4 to 17, present fairly the Unit Trust's financial position as at 31 May 2023 and its performance for the year ended on that date in accordance with the Australian Accounting Standards (including Australian Accounting Interpretations), policies described in Note 1 to the financial statements; and,
2. in the Directors' opinion, at the date of this statement there are reasonable grounds to believe that the CYC (SA) Unit Trust will be able to pay its debts as and when they become due and payable.

Director

Treasurer D.A. Roper

Dated this 27th day of July 2023

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MAY 2023

	Note	2023	2022
		$	$
REVENUE			
Revenue	2	138,000	138,000
TOTAL REVENUE		**138,000**	**138,000**
EXPENSES			
Depreciation and amortisation expenses	3	276,988	274,678
Other expenses	3	90,000	90,000
Finance costs	3	3,833	4,751
TOTAL EXPENSES		**370,821**	**369,429**
NET PROFIT / (LOSS)		**(232,821)**	**(231,429)**
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE LOSS		**(232,821)**	**(231,429)**

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2023

	Note	2023	2022
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	-	-
TOTAL CURRENT ASSETS		**-**	**-**
NON-CURRENT ASSETS			
Trade and other receivables	5	1,025,465	1,115,465
Property, plant and equipment	6	8,042,890	8,174,329
TOTAL NON-CURRENT ASSETS		**9,068,355**	**9,289,793**
TOTAL ASSETS		**9,068,355**	**9,289,793**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	22,168	22,168
Borrowings	8	104	90
TOTAL CURRENT LIABILITIES		**22,272**	**22,258**
NON-CURRENT LIABILITIES			
Borrowings	8	3,847,857	3,812,839
TOTAL NON-CURRENT LIABILITIES		**3,847,857**	**3,812,839**
TOTAL LIABILITIES		**3,870,129**	**3,835,097**
NET ASSETS		**5,198,226**	**5,454,697**
EQUITY			
Settled capital		572	572
Issued units		6,115,077	6,138,727
Reserves	12	1,420,500	1,420,500
Accumulated losses		(2,337,923)	(2,105,102)
TOTAL EQUITY		**5,198,226**	**5,454,697**

The accompanying notes form part of these financial statements.

CYC (SA) Unit Trust

ABN: 11 018 983 989

For the year ended 31 May 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAY 2023

	Contributed Capital	Retained Earnings	Premium Unit Reserve	Total
	$	$	$	$
Balance at 1 June 2021	6,135,399	(1,873,673)	1,420,500	**5,682,226**
Contributed / (Reduction) in Capital	3,900	-	-	**3,900**
Operating Result for the Year	-	(231,429)	-	**(231,429)**
Balance at 31 May 2022	**6,139,299**	**(2,105,102)**	**1,420,500**	**5,454,697**
Balance at 1 June 2022	6,139,299	(2,105,102)	1,420,500	**5,454,697**
Contributed / (Reduction) in Capital	(23,650)	-	-	**(23,650)**
Operating Result for the Year	-	(232,821)	-	**(232,821)**
Balance at 31 May 2023	**6,115,649**	**(2,337,923)**	**1,420,500**	**5,198,226**

The accompanying notes form part of these financial statements.

CYC (SA) Unit Trust

ABN: 11 018 983 989

For the year ended 31 May 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MAY 2023

	Note	2023	2022
		$	**$**
CASH FLOWS FROM OPERATING ACTIVITIES			
Rental and other receipts		138,000	228,000
Payments to suppliers		(90,000)	(66,361)
Interest paid		(3,833)	(4,751)
Net cash provided by (used in) operating activities		**44,167**	**156,888**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(141,963)	(634,475)
Net cash provided by (used in) investing activities		**(145,963)**	**(634,475)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds / (Repayments) from issue of units		(23,650)	3,900
Repayment of lease liabilities		(104)	(85)
Proceeds from borrowings		121,550	473,860
Net cash provided by (used in) financing activities		**97,796**	**477,675**
Net increase / (decrease) in cash held		-	-
Cash and cash equivalents at beginning of financial year		-	-
Cash and cash equivalents at end of financial year	4	**-**	**-**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were authorised for issue on 27 July 2023 by the Board of Directors.

Basis of Preparation

The CYC (SA) Unit Trust applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and other applicable Australian Accounting Standards – Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB). The CYC (SA) Unit Trust 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**

Under current tax legislation, the trust is not liable to income tax provided its 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:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Class of Fixed Asset	Depreciation Rate
Buildings	2.5 – 3 %
Marina & Walkways	2.5 – 10 %
Plant and Equipment	5 – 50 %

The asset's 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**

The CYC (SA) Unit Trust as lessee

At inception of a contract, The CYC (SA) Unit Trust 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 (SA) Unit Trust where The CYC (SA) Unit Trust 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.

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 (SA) Unit Trust 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.

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).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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) *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.

(ii) *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 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

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

Sales and Licenses to occupy Marina West Berths have been accounted for in accordance with AASB 16 *Leases*. In accordance with that standard, the license income received is proportionately recognised over the 40 year license period. The amount of license income received that represents income to be earned in future accounting period is disclosed in the Statement of Financial Position as being unearned income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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).

i. **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.

j. **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.

k. **Comparative Figures**

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

l. **Accounts Payable and Other Payable**

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.

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

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

n. **Key Estimates**

(i) *Impairment*

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

o. **Economic Dependency**

The entity is reliant on funding from The Cruising Yacht Club of SA Inc. to fund all financial obligations. As disclosed in Note 15, the entity has cross guarantees in place to secure future funding of all financial obligations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

	Note	2023	2022
NOTE 2: REVENUE		**$**	**$**
Revenue			
Land lease rental		90,000	90,000
Lease rental		48,000	48,000
		138,000	138,000

NOTE 3: DEPRECIATION AND OTHER EXPENSES

Expenses			
Depreciation		276,988	274,678
Interest Expense		3,833	4,751
Land lease expense		90,000	90,000
		370,821	369,429

NOTE 4: CASH AND CASH EQUIVALENTS

Cash at bank		-	-
	13	**-**	-

NOTE 5: TRADE AND OTHER RECEIVABLES

Non-Current			
Loan: CYC Ramp Trust		1,025,465	1,115,464
		1,025,465	1,115,464

The entity's only significant concentration of credit risk is with respect to related entities.

Financial assets classified as loans and receivables:			
– total non-current financial assets		**1,025,465**	1,115,464

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

NOTE 6: PROPERTY, PLANT AND EQUIPMENT	2023 $	2022 $
Land – At Deemed Cost	**2,800,000**	2,800,000
Buildings – At Deemed Cost	4,023,993	4,005,793
Accumulated depreciation	(1,350,640)	(1,221,528)
	2,673,353	2,784,265
Plant and Equipment – At Deemed Cost	266,664	264,752
Accumulated depreciation	(117,421)	(103,952)
	149,243	160,800
Marina and Improvements – At Deemed Cost	4,182,592	4,060,742
Accumulated depreciation	(1,788,596)	(1,654,523)
	2,393,996	2,406,219
Right-of-Use Asset	27,478	23,893
Accumulated Amortisation	(1,180)	(848)
	26,298	23,045
Total property, plant and equipment	**8,042,890**	8,174,329

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	Buildings	Plant and Equipment	Marina and Improvements	Right of Use Asset	Total
	$	$	$	$	$	$
Balance at 1 June 2022	2,800,000	2,784,265	160,800	2,406,219	23,045	**8,174,329**
Additions	-	18,200	1,912	121,850	3,587	**145,549**
Disposals	-	-	-	-	-	-
Depreciation expense	-	(129,112)	(13,469)	(134,073)	(334)	**(276,988)**
Carrying amount at 31 May 2023	**2,800,000**	**2,673,353**	**149,243**	**2,393,996**	**26,298**	**8,042,890**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

NOTE 7: TRADE AND OTHER PAYABLES	**2023 $**	**2022 $**
Current		
Other Payables	22,168	22,168
	22,168	22,168

The trade and other payables relate to debts owed to suppliers for services provided the entity.

NOTE 8: BORROWINGS		
Current		
Lease Liability	104	85
	104	85
Non-Current		
Loan: CYC (SA) Inc. (unsecured)	3,528,842	3,139,292
External Borrowings – Westpac loan	292,000	650,000
Lease Liability	27,015	23,547
	3,847,857	3,812,839

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

The loan was extended in November 2022 for a further term of 3 years structured as redraw interest only facility with a limit of $1.450 million.

NOTE 9: EVENTS AFTER THE REPORTING PERIOD

There were no events subsequent to 31 May 2023 that need to be disclosed in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

NOTE 10: FINANCIAL RISK MANAGEMENT

The entity's financial instruments consist mainly of accounts receivable, payables and an external loan facility held with Westpac Banking Corporation.

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

	Note	2023 $	2022 $
Financial assets			
Cash and cash equivalents	4	-	-
Accounts receivable and other debtors	5	1,025,465	1,115,464
Total financial assets		**1,025,465**	1,115,464
Financial liabilities			
Financial liabilities at amortised cost:			
Accounts payable and other payables	7	22,168	22,168
Advance from CYC (SA) Inc.	8	3,528,842	3,139,292
External loan borrowings	8	292,000	650,000
Total financial liabilities		**3,843,010**	3,811,460

NOTE 11: ISSUED CAPITAL

121,760 (2022: 122,233) fully paid issued units at $50 each	6,088,000	6,111,650
27,077 (2022: 27,077) fully paid issued units at $1 each	27,077	27,077
	6,115,077	6,138,727

NOTE 12: RESERVES

The Premium Unit Reserve records premiums attached to Issued Units.

NOTE 13: CASH FLOW INFORMATION

Reconciliation of Cash

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

- Cash and cash equivalents	-	-
	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

NOTE 14: LEASE COMMITMENTS

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. 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. This lease commitment has now been recognised in the Statement of Financial Position as required under the AASB 16 *Leases* which came into effect 1 January 2019.

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 November 2083, for rent as agreed to under lease that portion of the marina basin on which Marina West is situated to the Cruising Yacht Club of South Australia Inc. (the Club), for a term commencing on 1 November 2008 and ending on 31 October 2083, at the same rent.

NOTE 15: 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 2023 $nil was drawn down on a bill facility (2022 $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 from 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 to $nil at 31 May 2023 (2022: $nil).

NOTE 16: KEY MANAGEMENT PERSONNEL

All senior management personnel are employed by the Cruising Yacht Club of SA Inc.

NOTE 17: CLUB'S DETAILS

The registered office of the CYC (SA) Management Pty Ltd is:

Cruising Yacht Club of South Australia Inc.

Lady Gowrie Drive

NORTH HAVEN SA 5018

DeanNewbery

Chartered
Accountants

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214 Melbourne Street
North Adelaide SA 5006

PO Box 755
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Dean Newbery
ABN: 48 007 865 081

INDEPENDENT AUDITOR'S REPORT

To the members of the Cruising Yacht Club of SA Inc.

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. (the Association), which comprises the Statement of Financial Position as at 31 May 2023, 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 Association.

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

(i) giving a true and fair view of the Association's financial position as at 31 May 2023 and of its performance for the year then ended; and

(ii) that the financial records kept by the Association 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 Association 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

The directors of Cruising Yacht Club of SA Inc. are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

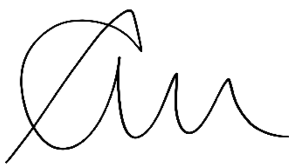
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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 Association'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 Association'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 Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DEAN NEWBERY



SAMANTHA CRETEN
DIRECTOR

31/07/2023