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**GEORGES RIVER 16ft SAILING CLUB CO-OP LIMITED**

**A.B.N. 90 738 525 905**

**ANNUAL FINANCIAL REPORT  
30 JUNE 2016**

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**GEORGES RIVER 16ft SAILING CLUB CO-OP LIMITED**  
**A.B.N. 90 738 525 905**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30th JUNE 2016**

The Directors present their report together with the financial report of Georges River 16ft Sailing Club Co-Operative Ltd for the year ended 30th June 2016.

**DIRECTORS AND INFORMATION ON DIRECTORS:**

The names of the Directors of the Co-Operative at any time during or since the end of the financial year are:

<b>Name</b>	<b>Qualifications</b>	<b>Position</b>
James Newell-Courtney	Retired	Chairman
George Africa	Exec. Manager and Chief IT Architect	Vice Chairman
Andrew McLachlan	Warehouse Manager	Commodore
Andrew Finney	Chartered Accountant/Registered Auditor	Vice Commodore/ Honorary Finance
Craig Miller	Structural Steel Fabricator	<i>Resigned Aug 15</i>
Doug Newton	Chemical Plant Operator	Director
Warren Smith	Customs Agent	<i>Resigned Mar 16</i>
David Cradock	Real Estate Proprietor	<i>Appointed Oct 15</i>

**DIRECTORS' MEETINGS:**

During the financial year, 14 meetings of Directors were held. Attendances were:

<b>Name of Director</b>	<b>Board Meetings held Whilst a Director</b>	<b>Board Meetings Attended</b>
James Newell-Courtney	14	14
George Africa	14	13
Andrew McLachlan	14	11
Andrew Finney	14	13
Craig Miller	2	1
Doug Newton	14	12
Warren Smith	11	9
David Cradock	11	11

**MEMBERSHIP:**

The number of members as at 30th June 2016 and the comparison with last year is as follows:

	<b>2016</b>	<b>2015</b>
Members	<u>8,668</u>	<u>7,755</u>

As the entity is a co-operative without share capital there is no member liability upon winding up.

**GEORGES RIVER 16ft SAILING CLUB CO-OP LIMITED**  
**A.B.N. 90 738 525 905**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30th JUNE 2016**

**REVIEW AND RESULTS OF OPERATIONS:**

The result was as follows;	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Operating profit/(loss)	368,966	414,044
Depreciation and amortisation	(457,168)	(328,737)
Gain on sale of Assets	-	-
	<u>(88,202)</u>	<u>85,307</u>

**OBJECTIVES**

The clubs short term objectives are to:

- i) Promote junior sailing
- ii) Grow existing sailing
- iii) Encourage non powered water activities
- iv) Enhance sailing facilities
- v) Host sailing regattas
- vi) Increase functions
- vii) Purchase new gaming machine and upgrades
- viii) Investment in Club infrastructure (particularly fascade, outdoor garbage and grease trap area).
- ix) Replace kitchen equipment.

The clubs long term objectives are to:

- i) Maintain Club Viability
- ii) Promote junior sailing
- iii) Grow existing sailing
- iv) Encourage non powered water activities
- v) Enhance sailing facilities
- vi) Host sailing regattas
- vii) Continually upgrading gaming machines, function rooms and member facilities.
- viii) Refurbish entrance area to the Club
- ix) Paint exterior of the Club

to achieve these objectives, the club has adopted the following strategies:

- i) More functions
- ii) Sailing regattas
- iii) Increase membership
- iv) Community involvement and family days

**PERFORMANCE MEASUREMENT AND KEY PERFORMANCE INDICATOR**

- < Financial results are reviewed by the Honorary Finance Committee Chairman, who is a fellow of the Institute of Chartered Accountants in Australia, on a monthly basis;
- < A measure of the Club's financial reserves has been established and this is monitored monthly to ensure the Club's solvency;
- < Member numbers are monitored monthly;
- < Board members have experience in business generally.

**GEORGES RIVER 16ft SAILING CLUB CO-OP LIMITED**  
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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30th JUNE 2016**

**PRINCIPAL ACTIVITIES**

The principal activity of the Co-operative during the year was to provide the facilities of a licensed club to the members and visitors of the Club.

Promotion of sailing and intra club activities.

There have been no significant changes in the nature of these activities during the year.

**DIRECTORS REPORT**

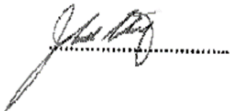
With Christine Bryant as CEO, the Club had continued to maintain positive cash flows.

Tighter controls have also ensured the continued viability of the Club.

**AUDITORS INDEPENDENCE DECLARATION:**

The auditors independence declaration for the year ended 30th June 2016 follows the directors report.

Signed in accordance with a resolution of the directors.



James Newell-Courtney  
Chairman

Dated: 31-08-16

## AUDITOR'S INDEPENDENCE DECLARATION

### AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF GEORGES RIVER 16FT SAILING CLUB CO-OPERATIVE LTD

To the Directors of Georges River 16ft Sailing Club Co-Operative Ltd during the year ended 30th June 2016 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

The audit opinion expressed in this report has been formed on the above basis.



Chartered Accountants

**D R Conroy**  
**Principal**

Sydney

Dated: 31-08-16

154 Elizabeth Street SYDNEY NSW 2000

**GEORGES RIVER 16ft SAILING CLUB CO-OP LIMITED**  
**A.B.N. 90 738 525 905**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30th JUNE 2016**

	Notes	2016 \$	2015 \$
Sale of Goods		1,493,922	1,545,366
Rendering of Services		1,541,552	1,571,779
Sailing Income		57,266	55,077
Other Income		302,629	298,293
	2	<u>3,395,369</u>	<u>3,470,515</u>
Cost of Sales		(581,650)	(592,708)
Employee Benefits Expense		(1,107,741)	(1,112,049)
Poker machine Licences and Taxes		(123,870)	(142,133)
Clubhouse Expenses		(688,566)	(668,180)
Entertainment, Marketing and Promotions		(307,804)	(302,492)
Sailing Expenses		(57,814)	(56,347)
Other expenses		(153,490)	(178,206)
		<u>(3,020,935)</u>	<u>(3,052,115)</u>
Earnings before Interest, Depreciation and Tax		<u>374,434</u>	<u>418,400</u>
Depreciation and amortisation expense	3	(457,168)	(328,737)
Finance Costs		(5,468)	(4,356)
		<u>(462,636)</u>	<u>(333,093)</u>
<b>Profit (Loss) before income tax expense</b>		<u>(88,202)</u>	<u>85,307</u>
Income tax expense	1	-	-
<b>Net Profit (Loss) after income tax expense</b>		<u>(88,202)</u>	<u>85,307</u>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income for the Year</b>		<u><u>(88,202)</u></u>	<u><u>85,307</u></u>

**GEORGES RIVER 16ft SAILING CLUB CO-OP LIMITED**  
**A.B.N. 90 738 525 905**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30th JUNE 2016**

		<b>2016</b>	<b>2015</b>
		<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	4	553,174	463,909
Trade and Other Receivables	5	89,585	149,317
Inventories	6	45,863	40,063
Other Assets	7	<u>21,083</u>	<u>11,874</u>
<b>TOTAL CURRENT ASSETS</b>		<u>709,705</u>	<u>665,163</u>
<b>NON CURRENT ASSETS</b>			
Property, Plant and Equipment	8	<u>3,142,994</u>	<u>3,173,225</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>3,142,994</u>	<u>3,173,225</u>
<b>TOTAL ASSETS</b>		<u>3,852,699</u>	<u>3,838,388</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	9	298,455	256,488
Financial Liabilities	10	143,649	148,198
Bank Overdraft	10	27,906	20,521
Employee Benefits	11	186,603	169,582
Other Current Liabilities	12	<u>25,448</u>	<u>26,667</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>682,061</u>	<u>621,456</u>
<b>NON CURRENT LIABILITIES</b>			
Financial Liabilities	10	<u>123,838</u>	<u>81,930</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>123,838</u>	<u>81,930</u>
<b>TOTAL LIABILITIES</b>		<u>805,899</u>	<u>703,386</u>
<b>NET ASSETS</b>		<u><b>3,046,800</b></u>	<u><b>3,135,002</b></u>
<b>MEMBERS' FUNDS</b>			
Retained Profits	15	<u>3,046,800</u>	<u>3,135,002</u>
<b>TOTAL MEMBERS' FUNDS</b>		<u><b>3,046,800</b></u>	<u><b>3,135,002</b></u>

**GEORGES RIVER 16ft SAILING CLUB CO-OP LIMITED**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30th JUNE 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from Trading	3,424,788	3,471,653
Payments to Suppliers and Employees	(3,201,155)	(3,284,057)
Rent Received	241,596	235,625
Interest Received	7,354	8,636
Finance Costs Paid	<u>(1,125)</u>	<u>(663)</u>
<b>Net cash provided by (used in) operating activities</b>	<b><u>471,458</u></b>	<b><u>431,194</u></b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds on Disposal of Non-current Assets	-	-
Payment for Property, Plant & Equipment	8 <u>(426,937)</u>	<u>(331,477)</u>
<b>Net cash provided by (used in) investing activities</b>	<b><u>(426,937)</u></b>	<b><u>(331,477)</u></b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings	174,262	101,594
Repayment of Borrowings	<u>(129,518)</u>	<u>(173,208)</u>
<b>Net cash provided by (used in) financing activities</b>	<b><u>44,744</u></b>	<b><u>(71,614)</u></b>
<b>Net increase/(decrease) in cash held</b>	<b><u>89,265</u></b>	<b><u>28,103</u></b>
Cash at start of the year	<u>463,909</u>	<u>435,806</u>
<b>CASH at end of the year</b>	4 <b><u><u>553,174</u></u></b>	<b><u><u>463,909</u></u></b>



**GEORGES RIVER 16ft SAILING CLUB CO-OP LIMITED**  
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**STATEMENT OF CHANGES IN MEMBERS FUNDS**  
**AS AT 30th JUNE 2016**

	<b>RETAINED EARNINGS</b>	<b>TOTAL</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2014</b>	<u>3,049,695</u>	<u>3,049,695</u>
Total Comprehensive Income for the year	85,307	85,307
<b>Balance at 30 June 2015</b>	<u>3,135,002</u>	<u>3,135,002</u>
Total Comprehensive Income for the year	(88,202)	(88,202)
<b>Balance at 30 June 2016</b>	<u><b>3,046,800</b></u>	<u><b>3,046,800</b></u>

**GEORGES RIVER 16ft SAILING CLUB CO-OP LIMITED**  
**A.B.N. 90 738 525 905**

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30th JUNE 2016**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are for Georges River 16ft Sailing Club Co-Operative Ltd as an individual entity domiciled in Australia. Georges River 16ft Sailing Club Co-Operative Ltd is a Co-operative for reporting purposes.

**Basis for Preparation**

Georges River 16ft Sailing Club Co-Operative Ltd applies Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

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 these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements except for cash flow statement 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.

**Going Concern Basis of Preparation of the Financial Statements**

The financial report has been prepared on a going concern basis which assumes the realisation of the Club's assets and the extinguishment of its liabilities in the normal course of business. The Club is reliant on positive cash flows from its core operations to remain viable.

Should the club not be able to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report.

**Accounting Policies**

**Inventories**

Inventories consist of liquor provisions and are measured at the lower of cost and net realisable value.

**Property, Plant and Equipment**

Each class of property plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

*Property*

Leasehold improvements are measured at cost.

The Club has a perpetual lease with the Crown in respect of land on which the Club stands.

Leasehold improvements on the land are amortised over a period of 40 years.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30th JUNE 2016**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

*Plant and equipment*

Plant and equipment is measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

*Depreciation*

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated over their estimated useful lives to the Co-Operative commencing from the time the asset is held ready for use.

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

<b>Class of Fixed Asset</b>	<b>Depreciation</b>
Leasehold Improvements	40 Years
Poker Machines	5 Years
Plant and Equipment	3-11 Years

**Impairment**

The carrying amounts of the Co-Operative's assets, other than investment property and inventories are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset is written down to its recoverable amount.

An impairment loss is recognised whenever the carrying amount of an set or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

**Investment Property**

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at deemed cost or cost less accumulated depreciation and impairment losses.

**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 company are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

**GEORGES RIVER 16ft SAILING CLUB CO-OP LIMITED**  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30th JUNE 2016**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**Financial Instruments**

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights 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 where the related obligations are either discharged, cancelled or expire. The difference between the carrying value 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.

Classification and subsequent measurement

1) 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, where they are derivatives not held for hedging purposes, or 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. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

2) 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 using the effective interest rate method.

3) Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed maturities and fixed determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

**GEORGES RIVER 16ft SAILING CLUB CO-OP LIMITED**  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30th JUNE 2016**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

4) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

5) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Financial guarantees

Where material, financial guarantees issued, which requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition. The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation.

**Employee Benefits**

Provision is made for the Co-Operative's liability for employee entitlements arising from services rendered by employees to balance date. Long Service Leave is accrued in respect of employees with more than 5 years' service with the Co-Operative. Employee entitlements together with entitlements arising from wages and salaries, annual leave and sick leave have been measured at amounts expected to be paid when the liabilities are settled plus related on-costs and have been allocated between current and non current liabilities.

The adoption of the basis for long service for employees with service more than 5 years, is believed to produce a result which is not materially different from the present value method prescribed by AASB 119: Employee Benefits.

Contributions are made by the Co-Operative to an employee superannuation fund and are charged as expenses when incurred.

**Cash and Cash Equivalents**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at call deposits with banks of financial institutions, investments in money market instruments maturing within less than three months from the date of acquisition and net of bank overdrafts.

**GEORGES RIVER 16ft SAILING CLUB CO-OP LIMITED**  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30th JUNE 2016**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**Revenue**

Revenue from sale of goods is recognised upon the delivery of goods to customers.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Interest revenue is recognised on a time proportional basis taking into account the interest rates applicable to the financial assets.

Subscription revenue is recognised on a time proportional basis over the period to which it relates. The unearned revenue shown in the financial statements will be brought to account over the time period to which it relates.

Other revenue is recognised when the right to receive the revenue has been established.

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

**Comparative Figures**

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

**Trade and Other Payables**

These amounts represent liabilities for goods and services provided to the Club prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

**Income Tax**

No provision has been made for income tax as the Co-Operative is exempt under s 50-45 of the income tax assessment act (1997), providing it continues as a sporting club predominantly encouraging and promoting the sport of sailing.

**Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

**Key Estimates - Impairment**

The Co-Operative assesses impairment at each reporting date by evaluating conditions specific to the Co-Operative that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

**Key Judgements - Provision for Impairment of Receivables**

No provision for impairment of receivables has been made at the end of the financial year as directors believe all are recoverable.

**GEORGES RIVER 16ft SAILING CLUB CO-OP LIMITED**  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

	2016	2015
	\$	\$
<b>NOTE 2- REVENUE</b>		
<b>Operating Activities:</b>		
Bar Sales	1,493,922	1,545,366
Poker Machine Takings	1,239,487	1,286,142
Membership Income	63,320	50,680
Keno Sales	41,711	43,886
Commission Income	76,855	64,016
Functions Income	48,229	46,800
Bingo and Raffle Income	71,950	80,255
Sundry Income	53,410	53,763
Sailing Income	57,266	55,077
Rent Received	241,596	235,625
	<b>3,387,746</b>	<b>3,461,610</b>
<b>Revenue from outside the operating activities:</b>		
Interest received	7,354	8,636
Dividends Received	269	269
Insurance Claim	-	-
Profit on Sale of Plant & Equipment	-	-
	7,623	8,905
	<b>3,395,369</b>	<b>3,470,515</b>
<b>NOTE 3 - PROFIT FROM ORDINARY ACTIVITIES</b>		
(a) Profit (Loss) from ordinary activities before income tax has been determined after:		
<b>Finance Costs</b>		
Bank Loans and Overdraft	1,125	663
Hire purchase charges	4,343	3,693
	<b>5,468</b>	<b>4,356</b>
<b>Depreciation</b>		
Plant and Equipment	112,685	87,401
Poker Machines	135,406	125,749
<b>Amortisation</b>		
Leasehold Improvements	209,077	115,587
	<b>457,168</b>	<b>328,737</b>
Net Expense movements in provision for:		
Employee benefits increase/decrease	17,021	34,289
Defined Contribution Superannuation Expense	89,130	85,741
(b) Key Performance Indicators		
	%	%
<b>Bar</b>		
Gross profit percentage	60.04	60.62
Wages to sales percentage	13.07	11.76
<b>Total wages - percentage of total revenue</b>	<b>32.63</b>	<b>32.04</b>
<b>EBITDA percentage (before gains and losses on disposal of property, plant and equipment)</b>	<b>11.03</b>	<b>12.06</b>

**GEORGES RIVER 16ft SAILING CLUB CO-OP LIMITED**  
**A.B.N. 90 738 525 905**

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

	2016	2015
	\$	\$
<b>NOTE 4 - CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	65,000	65,000
Cash at Bank	488,174	398,909
	<u>553,174</u>	<u>463,909</u>
<b>NOTE 5 - TRADE AND OTHER RECEIVABLES</b>		
Trade Receivables	75,834	112,047
Other	13,751	37,270
	<u>89,585</u>	<u>149,317</u>
<b>NOTE 6 - INVENTORIES</b>		
<b>Current</b>		
Finished Goods - at Cost	45,863	40,063
	<u>45,863</u>	<u>40,063</u>
<b>NOTE 7 - OTHER ASSETS</b>		
Shares at Cost	3,030	3,030
Prepayments	16,867	7,658
Other	1,186	1,186
	<u>21,083</u>	<u>11,874</u>
<b>NOTE 8 - PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Property</b>		
Leasehold Improvements at cost	4,699,881	4,703,692
Less Accumulated Depreciation	(2,268,407)	(2,219,871)
Total Leasehold Improvements	<u>2,431,474</u>	<u>2,483,821</u>
<b>Plant and Equipment</b>		
Plant & Equipment, Furniture at Cost	671,192	1,979,972
Less: Accumulated Depreciation	(266,587)	(1,656,329)
	<u>404,605</u>	<u>323,643</u>
Poker Machines at Cost	605,901	1,997,024
Less: Accumulated Depreciation	(298,986)	(1,631,263)
	<u>306,915</u>	<u>365,761</u>
<b>Total Property, Plant and Equipment</b>	<u><b>3,142,994</b></u>	<u><b>3,173,225</b></u>

**Movements in Carrying Amounts**

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

	Leasehold Improvements \$	Plant and Equipment \$	Poker Machines \$	Total \$
Balance at the beginning of year	\$ 2,483,821	\$ 323,643	\$ 365,761	\$ 3,173,225
Additions	\$ 156,730	\$ 193,647	\$ 76,560	\$ 426,937
Disposals	\$ -	\$ -	\$ -	\$ -
Depreciation expense	\$ (209,077)	\$ (112,685)	\$ (135,406)	\$ (457,168)
Carrying amount at the end of year	<u>\$ 2,431,474</u>	<u>\$ 404,605</u>	<u>\$ 306,915</u>	<u>\$ 3,142,994</u>



**GEORGES RIVER 16ft SAILING CLUB CO-OP LIMITED**  
**A.B.N. 90 738 525 905**

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

	2016	2015
	\$	\$
<b>NOTE 9 - TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
<i>Unsecured liabilities</i>		
Trade Payables	244,830	211,271
Deposits Held	14,000	14,000
Accrued Expenses	39,625	31,217
	298,455	256,488
<b>NOTE 10 - FINANCIAL LIABILITIES</b>		
<b>Current</b>		
Bank Overdraft - secured	27,906	20,521
Bank Loans - secured	60,000	65,000
Finance Lease liabilities	83,649	83,198
	143,649	148,198
<b>Non Current</b>		
Bank Loans - secured	-	-
Finance Lease liabilities	123,838	81,930
	123,838	81,930
<b>Security</b>		
The details of security over the loans and bank overdraft:		
- Market Rate Facility (2016: \$60,000) is secured over the \$200,000 Term deposit held with NAB.		
The finance leases are secured over the poker machines and plant and equipment leased.		
<b>NOTE 11 - EMPLOYEE BENEFITS</b>		
<b>Current</b>		
Annual Leave Provision	113,986	106,783
Long Service Leave Provision	72,617	62,799
<b>Aggregate liability for employee benefits</b>	186,603	169,582
<b>NOTE 12 – OTHER LIABILITIES</b>		
Subscriptions in advance	12,758	14,972
Income in advance	12,690	11,695
	25,448	26,667
<b>NOTE 13 – COMMITMENTS</b>		
Future operating lease commitments in relation to plant and equipment not provided for in the financial statements and payable:		
Within one year	7,454	7,454
One year or later and no later than five years	6,211	13,664
	13,664	21,118

In addition the club leases the land on which the clubhouse is situated from the Crown under a special lease in perpetuity. The annual rental is subject to redetermination at the end of each period of 10 years per the notification of the Minister of Lands dated 26 February 1965.

**GEORGES RIVER 16ft SAILING CLUB CO-OP LIMITED**  
**A.B.N. 90 738 525 905**

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**2016**  
\$

**2015**  
\$

**NOTE 13 – COMMITMENTS (Continued)**

Finance Lease Commitments

Within one year	83,649	83,198
One year or later and no later than five years	123,838	81,930
	207,487	165,128

The co-operative leases poker machines and plant and equipment under finance lease agreements expiring in three to five years.

**NOTE 14 – CONTINGENT LIABILITIES**

- A contingent liability exists in connection with Supreme Court proceedings commenced against the Club subsequent to the end of the financial year by the present operators of the ground floor coffee shop. The Club has appointed Solicitors Pigott Stinson to act on it's behalf in this matter and will be vigorously defending the action taken. At the date of this report it is not possible to predict the likely outcome of the proceedings or quantify any liability that may arise.

- Bank Guarantee

The Co-operative has given the following bank guarantees:

TAB Limited	5,000	5,000
	5,000	5,000

**NOTE 15 – RETAINED PROFITS**

Retained profits at the beginning of the year	3,135,002	3,049,695
Net Profit/(Loss) attributable to members of the Co-operative	(88,202)	85,307
Retained profits at the end of the year	3,046,800	3,135,002

**NOTE 16 - KEY MANAGEMENT PERSONNEL DISCLOSURES**

The following were key management personnel of the Co-Operative at any time during the reporting period, and unless otherwise indicated, were directors for the entire period:

**Non Executive Directors**

James Newell Courtney  
 George Africa  
 Andrew McLachlan  
 Andrew Finney  
 Craig Miller  
 Warren Smith  
 Doug Newton  
 David Cradock

**Executive**

C. Bryant  
 L. McGuire

Unless otherwise stated, transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

The key management personnel compensations included in "Employee Benefits Expense" are as follows:

Benefits and payments made to the Key Management Personnel named above	255,070	258,899
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Apart from the details disclosed in this note, no director has entered into a material contract with the Co-Operative since the end of the previous financial year and there were no material contracts involving directors' interest existing at year-end.

From time to time, directors of the Co-Operative, or their director-related entities, may purchase goods from the Co-Operative. These purchases are on the same terms and conditions as those entered into by other Co-Operative employees or customers and are trivial or domestic in nature.

**GEORGES RIVER 16ft SAILING CLUB CO-OP LIMITED**  
**A.B.N. 90 738 525 905**

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**2016**                      **2015**  
**\$**                              **\$**

**NOTE 17 – FINANCIAL RISK MANAGEMENT**

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases.

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 on Hand	65,000	65,000
Cash at Bank/Deposits	488,174	398,909
	<u>553,174</u>	<u>463,909</u>

**Financial liabilities**

Trade Creditors and Other Creditors	298,455	256,488
Borrowings	320,841	277,316
	<u>619,296</u>	<u>533,804</u>

**NOTE 18 – FAIR VALUE MEASUREMENT**

The company measures financial assets at fair value on a recurring basis after their initial recognition. The company does not subsequently measure any liabilities at fair value on a recurring basis and has no assets or liabilities that are measured at fair value on a non-recurring basis.

Financial assets at fair value	<u>553,174</u>	<u>463,909</u>
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**NOTE 19 – EVENTS SUBSEQUENT TO REPORTING DATE**

From 30 June 2016 to the date of this report, there has been no subsequent event that would have a material effect on the financial position of the co-operative except as disclosed in these financial statements.

**NOTE 20 – CO-OPERATIVE DETAILS**

The club is a co-operative without share capital and is domiciled in Australia.

The registered address of the co-operative is Sanoni Avenue, Dolls Point, NSW

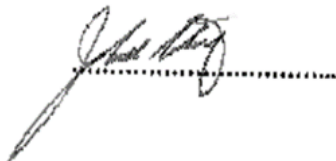
**GEORGES RIVER 16ft SAILING CLUB CO-OP LIMITED**  
**A.B.N. 90 738 525 905**

**DIRECTORS' DECLARATION**

The directors of the co-operative declare that:

1. The financial statements and notes
  - (a) comply with Australian Accounting Standards, the Co-Operatives National Law (NSW) and the Co-Operatives National Law Regulations (NSW); and
  - (b) give a true and fair view of the financial position as at 30 June 2016 and of the performance for the financial year ended on that date of the Co-operative.
2. In the directors' opinion there are reasonable grounds to believe that the Co-operative will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'James Newell-Courtney', is written over a horizontal dotted line.

James Newell-Courtney  
Chairman

Dated : 31-08-16

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GEORGES RIVER 16FT SAILING CLUB CO-OP LIMITED

## Report on the Financial Report

We have audited the accompanying financial report of Georges River 16ft Sailing Club Co-Operative Ltd, which comprises the statement of financial position as at 30 June 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the Co-Operative.

## Directors' Responsibility for the Financial Report

The directors of the Co-Operative are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Co-Operatives National Law (NSW). The responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

## Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Independence

In conducting our Audit, we have complied with the independence requirements of the Corporations Act 2001.

## Auditor's Opinion

In our opinion:

- (a) the financial report of Georges River 16ft Sailing Club Co-Operative Ltd is in accordance with the Co-Operatives National Law (NSW) and the Co-Operatives National Law Regulations (NSW) including:
  - i. giving a true and fair view of the Co-Operative's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
  - ii. complying with Australian Accounting Standards and the Co-operatives National Law (NSW) and the Co-Operatives National Law Regulations (NSW); and
- (b) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.



D. R. Conroy  
154 Elizabeth Street  
Sydney NSW 2000

Dated: 31-08-16

**GEORGES RIVER 16ft SAILING CLUB CO-OP LIMITED**  
**A.B.N. 90 738 525 905**

**Core and Non Core Property**

Section 41J of the Registered Clubs Act 1976 requires the club to disclose its core and non-core property as defined in the annual report. The Club's core property comprises the defined premises of the club situated at Sanoni Avenue, Dolls Point NSW 2219.

The Club has no non-core property.