

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

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30th JUNE 2018**

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 2018.

**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
David Cradock	Real Estate Proprietor	Vice Commodore
Andrew Finney	Chartered Accountant/Registered Auditor	Honorary Finance Office
Brett Whalen	Retired Chef	Appointed Oct 17
Paul McKay	Retired from Police Force	<i>Passed Away in Office March 17</i>
Doug Newton	Retired	Ceased Oct 17

**DIRECTORS' MEETINGS:**

During the financial year, 12 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	12	11
George Africa	12	12
Andrew McLachlan	12	11
David Cradock	12	12
Andrew Finney	12	11
Brett Whalen	9	9
Paul McKay	3	3
Doug Newton	3	3

**MEMBERSHIP:**

The number of members as at 30th June 2018 and the comparison with last year is as follows:

	<b>2018</b>	<b>2017</b>
Members	<u>7,355</u>	<u>8,421</u>

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

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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30th JUNE 2018**

**REVIEW AND RESULTS OF OPERATIONS:**

The result was as follows;	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Operating profit/(loss)	(18,860)	11,562
Depreciation and amortisation	(336,042)	(340,161)
Sale of Gaming Machine Entitlements	212,000	-
Gain/(Loss) on sale of Assets	(5,047)	-
	<u>(147,949)</u>	<u>(328,599)</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 a Director, 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.

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30th JUNE 2018**

**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.

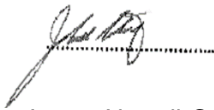
Promotion of sailing and intra club activities.

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

**AUDITORS INDEPENDENCE DECLARATION:**

The auditors independence declaration for the year ended 30th June 2018 follows the directors report.

Signed in accordance with a resolution of the directors.



James Newell-Courtney  
Chairman

Dated: 19/10/2018

**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 2018 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.



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

Sydney

Dated: 19/10/2018

Conroy Audit & Advisory  
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 2018**

	Notes	2018 \$	2017 \$
Sale of Goods		1,371,878	1,477,921
Rendering of Services		1,314,213	1,492,719
Sailing Income		59,874	64,122
Other Income		594,296	322,020
	2	<b><u>3,340,261</u></b>	<b><u>3,356,782</u></b>
Cost of Sales		(547,739)	(591,320)
Employee Benefits Expense		(1,221,391)	(1,208,403)
Poker machine Licences and Taxes		(95,899)	(105,134)
Clubhouse Expenses		(511,465)	(580,613)
Repairs & Maintenance		(126,276)	(115,941)
Entertainment, Marketing and Promotions		(310,457)	(341,344)
Sailing Expenses		(56,208)	(59,797)
Legal Expenses		(52,639)	(143,623)
Other expenses		(210,107)	(177,913)
		<b><u>(3,132,181)</u></b>	<b><u>(3,324,088)</u></b>
Earnings before Interest, Depreciation and Tax		<b><u>208,080</u></b>	<b><u>32,694</u></b>
Depreciation and amortisation expense	3	(336,042)	(340,161)
Finance Costs		(19,987)	(21,132)
		<b><u>(356,029)</u></b>	<b><u>(361,293)</u></b>
<b>Profit (Loss) before income tax expense</b>		<b><u>(147,949)</u></b>	<b><u>(328,599)</u></b>
Income tax expense	1	-	-
<b>Net Profit (Loss) after income tax expense</b>		<b><u>(147,949)</u></b>	<b><u>(328,599)</u></b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income for the Year</b>		<b><u><u>(147,949)</u></u></b>	<b><u><u>(328,599)</u></u></b>

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

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30th JUNE 2018**

		2018	2017
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	4	357,493	427,256
Trade and Other Receivables	5	59,641	70,562
Inventories	6	43,936	43,920
Other Assets	7	<u>131,200</u>	<u>12,404</u>
<b>TOTAL CURRENT ASSETS</b>		<u>592,270</u>	<u>554,142</u>
<b>NON CURRENT ASSETS</b>			
Property, Plant and Equipment	8	<u>2,781,668</u>	<u>3,003,130</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>2,781,668</u>	<u>3,003,130</u>
<b>TOTAL ASSETS</b>		<u>3,373,938</u>	<u>3,557,272</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	9	350,585	330,913
Financial Liabilities	10	269,287	208,360
Employee Benefits	11	79,551	187,361
Other Current Liabilities	12	<u>60,322</u>	<u>36,959</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>759,745</u>	<u>763,593</u>
<b>NON CURRENT LIABILITIES</b>			
Financial Liabilities	10	<u>43,941</u>	<u>75,478</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>43,941</u>	<u>75,478</u>
<b>TOTAL LIABILITIES</b>		<u>803,686</u>	<u>839,071</u>
<b>NET ASSETS</b>		<u><u>2,570,252</u></u>	<u><u>2,718,201</u></u>
<b>MEMBERS' FUNDS</b>			
Retained Profits	15	<u>2,570,252</u>	<u>2,718,201</u>
<b>TOTAL MEMBERS' FUNDS</b>		<u><u>2,570,252</u></u>	<u><u>2,718,201</u></u>

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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30th JUNE 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from Trading	3,090,952	3,397,038
Payments to Suppliers and Employees	(3,568,299)	(3,530,363)
Rent Received	292,839	224,191
Interest Received	5,597	6,309
Finance Costs Paid	(12,615)	(11,241)
	<u>                    </u>	<u>                    </u>
<b>Net cash provided by (used in) operating activities</b>	<b><u>(191,526)</u></b>	<b><u>85,934</u></b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds on Disposal of Non-current Assets	-	-
Proceeds on Sale of Gaming Entitlements	212,000	-
Payment for Property, Plant & Equipment	8 (119,627)	(200,297)
	<u>                    </u>	<u>                    </u>
<b>Net cash provided by (used in) investing activities</b>	<b><u>92,373</u></b>	<b><u>(200,297)</u></b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings	86,389	228,623
Repayment of Borrowings	(56,999)	(240,178)
	<u>                    </u>	<u>                    </u>
<b>Net cash provided by (used in) financing activities</b>	<b><u>29,390</u></b>	<b><u>(11,555)</u></b>
<b>Net increase/(decrease) in cash held</b>	<b><u>(69,763)</u></b>	<b><u>(125,918)</u></b>
Cash at start of the year	<u>427,256</u>	<u>553,174</u>
<b>CASH at end of the year</b>	<b>4 <u><u>357,493</u></u></b>	<b><u><u>427,256</u></u></b>

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

STATEMENT OF CHANGES IN MEMBERS FUNDS  
AS AT 30th JUNE 2018

	RETAINED EARNINGS	TOTAL
	\$	\$
<b>Balance at 1 July 2016</b>	<u>3,046,800</u>	<u>3,046,800</u>
Total Comprehensive Income for the year	(328,599)	(328,599)
<b>Balance at 30 June 2017</b>	<u>2,718,201</u>	<u>2,718,201</u>
Total Comprehensive Income for the year	(147,949)	(147,949)
<b>Balance at 30 June 2018</b>	<u>2,570,252</u>	<u>2,570,252</u>



**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30th JUNE 2018**

**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. 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.

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30th JUNE 2018**

**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	3-15Years

**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.

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30th JUNE 2018**

**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 or 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.

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30th JUNE 2018**

**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.

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30th JUNE 2018**

**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.

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30th JUNE 2018**

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

**New Standards and interpretations not yet adopted**

**AASB 9 Financial Instruments**

AASB 9 replaces the existing guidance in AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from AASB 139.

AASB 9 is effective from annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

The Club is assessing the potential impact on its financial statements resulting from the application of AASB 9.

**AASB 15 Revenue from Contracts with Customers**

AASB 15 established a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 Revenue, AASB 111 Construction Contracts and AASB Interpretation 13 Customer Loyalty Programmes.

AASB 15 is effective from annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

The Club is assessing the potential impact on its financial statements resulting from the application of AASB 15.

**AASB 16 Leases**

AASB 16 Leases removes the classification of leases as either operating lease or finance leases - for the lessee - effectively treating all leases as finance leases. Short-term leases (less than 12 months) and leases of low value assets (such as computers) are exempt from the lease accounting requirements. There are also changes in accounting over the life of the lease. In particular, companies will recognise a front-loaded pattern of expenses for most leases, even when they pay constant rentals.

AASB 16 is effective from annual reporting periods beginning on or after 1 January 2018, with early adoption permitted where AASB 15 Revenue from Contracts with Customers is adopted at the same time.

The Club is assessing the potential impact on its financial statements resulting from the application of AASB 16.

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30TH JUNE 2018**

	2018 \$	2017 \$
<b>NOTE 2- REVENUE</b>		
<b>Operating Activities:</b>		
Bar Sales	1,371,878	1,477,921
Poker Machine Takings	1,026,331	1,214,514
Membership Income	47,640	61,644
Keno Sales	34,209	35,124
Commission Income	71,333	71,840
Functions Income	80,912	47,959
Bingo and Raffle Income	53,788	61,638
Sundry Income	83,625	73,156
Sailing Income	59,874	64,122
Rent Received	292,839	224,191
	<b>3,122,429</b>	<b>3,332,109</b>
<b>Revenue from outside the operating</b>		
Interest received	5,597	6,309
Dividends Received	235	180
Insurance Claim	-	18,184
Sale of Gaming Machine Entitlements	212,000	-
	217,832	24,673
	<b>3,340,261</b>	<b>3,356,782</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	12,615	11,241
Hire purchase charges	7,372	9,891
	<b>19,987</b>	<b>21,132</b>
<b>Depreciation</b>		
Plant and Equipment	82,903	88,033
Poker Machines	131,057	130,640
<b>Amortisation</b>		
Leasehold Improvements	122,082	121,488
	<b>336,042</b>	<b>340,161</b>
Net Expense movements in provision for:		
Employee benefits increase/decrease	(107,810)	757
Defined Contribution Superannuation Expense	98,000	97,704
(b) Key Performance Indicators		
	%	%
<b>Bar</b>		
Gross profit percentage	62.01	59.44
Wages to sales percentage	21.50	13.84
<b>Total wages - percentage of total revenue</b>	<b>36.57</b>	<b>36.00</b>
<b>EBITDA percentage (before gains and losses on disposal of property, plant and equipment)</b>	<b>6.23</b>	<b>0.97</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 2018**

	2018 \$	2017 \$
<b>NOTE 4 - CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	65,000	55,000
Cash at Bank	292,493	372,256
	357,493	427,256
<b>NOTE 5 - TRADE AND OTHER</b>		
Trade Receivables	43,660	59,283
Other	15,981	11,279
	59,641	70,562
<b>NOTE 6 - INVENTORIES</b>		
<b>Current</b>		
Finished Goods - at Cost	43,936	43,920
	43,936	43,920
<b>NOTE 7 - OTHER ASSETS</b>		
Shares at Cost	3,030	3,030
Prepayments	126,984	8,188
Other	1,186	1,186
	131,200	12,404
<b>NOTE 8 - PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Property</b>		
Leasehold Improvements at cost	4,717,089	4,705,339
Less Accumulated Depreciation	(2,511,977)	(2,389,895)
Total Leasehold Improvements	2,205,112	2,315,444
Capital Works in Progress	35,000	-
	35,000	-
<b>Plant and Equipment</b>		
Plant & Equipment, Furniture at Cost	805,877	749,101
Less: Accumulated Depreciation	(437,522)	(354,620)
	368,355	394,481
Poker Machines at Cost	710,669	722,831
Less: Accumulated Depreciation	(537,468)	(429,626)
	173,201	293,205
<b>Total Property, Plant and Equipment</b>	<b>2,781,668</b>	<b>3,003,130</b>

**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	\$ 2,315,444	\$ 394,481	\$ 293,205	\$ 3,003,130
Additions	\$ 11,750	\$ 56,777	\$ 16,100	\$ 84,627
Capital Works in Progress	\$ 35,000	\$ -	\$ -	\$ 35,000
Disposals	\$ -	\$ -	\$ (5,047)	\$ (5,047)
Depreciation expense	\$ (122,082)	\$ (82,903)	\$ (131,057)	\$ (336,042)
Carrying amount at the end of year	\$ 2,240,112	\$ 368,355	\$ 173,201	\$ 2,781,668



**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30TH JUNE 2018**

	2018	2017
	\$	\$
<b>NOTE 9 - TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
<i>Unsecured liabilities</i>		
Trade Payables	233,809	269,418
Deposits Held	16,200	16,200
Employee Termination Payout	57,483	-
Accrued Expenses	43,093	45,295
	350,585	330,913

**NOTE 10 - FINANCIAL LIABILITIES**

**Current**

Bank Overdraft - secured	-	-
Bank Loans - secured	160,000	160,000
Finance Lease liabilities	109,287	48,360
	269,287	208,360

**Non Current**

Bank Loans - secured	-	-
Finance Lease liabilities	43,941	75,478
	43,941	75,478

**Security**

The details of security over the loans and bank overdraft:

- Market Rate Facility \$160,000 is secured over the \$200,000 Term deposit held with NAB.

The finance leases are secured over the poker machines and plant and equipment

**NOTE 11 - EMPLOYEE BENEFITS**

**Current**

Annual Leave Provision	32,809	101,507
Long Service Leave Provision	46,742	85,854
	79,551	187,361

**NOTE 12 – OTHER LIABILITIES**

Subscriptions in advance	40,171	6,738
Income in advance	20,151	30,221
	60,322	36,959

**NOTE 13 – COMMITMENTS**

Future operating lease commitments in relation to plant and equipment not provided for in the financial statements and payable:

Within one year	560	6,211
One year or later and no later than five years	-	-
	560	6,211

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.

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30TH JUNE 2018**

	2018 \$	2017 \$
<b>NOTE 13 – COMMITMENTS (Continued)</b>		
Finance Lease Commitments		
Within one year	109,287	48,360
One year or later and no later than five years	43,941	75,478
	153,228	123,838

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

**NOTE 14 – CONTINGENT LIABILITIES**

**- 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	2,718,201	3,046,800
Net Profit/(Loss) attributable to members of the Co-operative	(147,949)	(328,599)
	2,570,252	2,718,201

**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:

<b>Non Executive Directors</b>	<b>Executive</b>
James Newell Courtney	A. Dworzak
George Africa	C. Bryant
Andrew McLachlan	
Andrew Finney	
Doug Newton	
David Cradock	
Brett Whalen	
Paul McKay	

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	366,650	240,621
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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.

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30TH JUNE 2018

2018  
\$

2017  
\$

**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	55,000
Cash at Bank/Deposits	292,493	372,256
	<u>357,493</u>	<u>427,256</u>

**Financial liabilities**

Trade Creditors and Other Creditors	350,585	330,913
Borrowings	373,550	320,797
	<u>724,135</u>	<u>651,710</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>357,493</u>	<u>427,256</u>
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**NOTE 19 – EVENTS SUBSEQUENT TO REPORTING DATE**

From 30 June 2018 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.

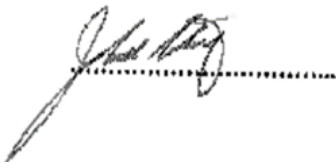
The registered address of the co-operative is Sanoni Avenue, Dolls Point, NSW

## 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 2018 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 : 19/10/2018

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

**Report on the Audit of the Financial Report**

**Opinion**

We have audited the financial report of Georges River 16ft Sailing Club Co-Operative Ltd (the company), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Georges River 16ft Sailing Club Co-Operative Ltd is in accordance with the Corporations Act 2001 and the Co-operatives National Law and the Co-operatives National Law Regulations:

(i) giving a true and fair view of the company's financial position as at 30 June 2018 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and 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.

**Information Other than the Financial Report and Auditor's Report Thereon**

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Directors for the Financial Report**

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, the Corporations Act 2001 and the Co-operatives National Law and the Co-operatives National Law Regulations and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**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 an 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 this 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:

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

- 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 company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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 company'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 company 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 the directors 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



A handwritten signature in black ink, appearing to read "D. R. Conroy", written over a horizontal line.

D. R. Conroy  
154 Elizabeth Street, Sydney NSW 2000

Dated: 19th October 2018

### **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.