swan yacht CLUB INC

ESTABLISHED 1904

SWAN YACHT CLUB

SPECIAL PURPOSE FINANCIAL REPORT

30 JUNE 2016 FULL YEAR

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2016

	Note	2016 A$	2015 A$
Income from continuing operations			
Bar		754,231	987,992
Galley		797,397	1,003,210
Marina		901,945	863,444
Membership		619,144	618,662
Functions and Events	21	46,713	77,046
		3,119,430	3,550,354
Other income			
Interest revenue		143,765	47,514
FC Memberships	21	249,275	384,556
Other revenue		16,679	42,713
		409,719	474,783
Total Income		3,529,149	4,025,137
Expenses			
Cost of sales - Bar	3(a)	641,102	664,162
Cost of sales - Galley	3(b)	747,312	959,668
Cost of sales – Functions and Events		27,043	48,127
		1,415,457	1,671,957
Other expenses from normal activities			
Administration	4(a)	1,145,489	1,174,858
Marina	4(b)	170,387	196,157
Depreciation and Amortisation	10	287,640	240,136
		1,603,516	1,611,151
Surplus before income tax		510,176	742,029
Income tax expense/(benefit)	5	-	-
Surplus attributable to the Club		510,176	742,029
Total Comprehensive Income attributable to the club		510,176	742,029

The above statement of comprehensive income should be read in conjunction with the accompanying notes

Statement of Financial Position

As at 30 June 2016

	Note	2016 A$	2015 A$
ASSETS			
Current assets			
Cash and cash equivalents	6	1,187,301	2,211,533
Trade and other receivables	7	703,646	768,420
Inventory & spares	8	34,162	36,958
Total current assets		1,925,109	3,016,911
Non-current assets			
Other Receivables	9	3,473,920	3,441,500
Property, plant and equipment	10	2,865,676	1,684,677
Total non-current assets		6,339,596	5,126,177
Total assets		8,264,705	8,143,088
LIABILITIES			
Current liabilities			
Trade and other payables	11	205,638	362,547
Unearned membership income invoiced in advance	12	1,113,230	1,077,115
Provision for employee entitlements	13	32,635	61,927
Fremantle Club Amalgamation Funds	14	249,275	249,275
Total current liabilities		1,600,778	1,750,864
Non-current liabilities			
Members deposits		57,000	46,200
Fremantle Club Amalgamation Funds	14	2,619,167	2,868,441
Total non-current liabilities		2,676,167	2,914,641
Total liabilities		4,276,945	4,665,505
Net assets		**3,987,760**	**3,477,583**
EQUITY			
Retained earnings		3,987,760	3,477,583
Total equity		3,987,760	**3,477,583**

The above statement of financial position should be read in conjunction with the accompanying notes

Statement of Changes in Equity

For the Year ended 30 June 2016

	Retained Earnings A$	Total Equity A$
Balance at 1 July 2014	2,735,554	2,735,554
Profit for the period	742,029	742,029
Total comprehensive income for the period	742,029	742,029
Balance at 30 June 2015	3,477,583	3,477,583
Profit for the period	**510,176**	510,176
Total comprehensive income for the period	510,176	510,176
Balance at 30 June 2016	3,987,760	3,987,760

The above statement of changes in equity should be read in conjunction with the accompanying notes

Statement of Cash Flows

For the Year ended 30 June 2016

	Notes	2016 A$	2015 A$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating activities		3,499,869	4,089,951
Payments to suppliers and employees		(3,166,808)	(3,288,192)
Interest received		143,765	47,514
Net cash inflow/(outflow) from operating activities	**20**	476,826	849,273
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment	**10**	(1,468,638)	(855,161)
Net cash inflow/(outflow) from investing activities		(1,468,638)	(855,161)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings (overdraft and members)		-	-
Net cash inflow/(outflow) from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(991,812)	(5,888)
Cash and cash equivalents at beginning of reporting period		2,211,533	2,217,421
Cash and cash equivalents at end of reporting period	**6**	1,219,721	2,211,533

The above statement of cash flows should be read in conjunction with the accompanying notes

NOTES TO THE FINANCIAL STATEMENTS

1 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements represent the Club's accounts of the Swan Yacht Club.

The accounting policies adopted are consistent with those of the previous financial year.

(a) New, revised or amended Accounting Standards and Interpretations adopted

The Club has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards and Interpretations that are not yet mandatory have not been early adopted. Any significant impact on the accounting policies of the Club from the adoption of these Accounting Standards and Interpretations are disclosed in the relevant accounting policy. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Club.

(b) Basis of preparation

These financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Club's members. The Managing Committee has determined that the Club is not a reporting entity.

The report has been prepared in accordance with the requirements of the Management Committee and the following Australian Accounting Standards:

AASB 101	*Presentation of Financial Statements*
AASB 108	*Accounting Policies, Changes in Accounting Estimates and Errors*
AASB 107	*Statement of Cash Flows*
AASB 110	*Events after the End of the Reporting Period*
AASB 116	*Property, Plant & Equipment*
AASB 1031	*Materiality*
AASB 1048	*Interpretation and Application of Standards*

No other Australian Accounting Standards and authoritative pronouncements of the Australian Accounting Standards Board have been applied.

Historical cost convention

These financial statements have been prepared under the historical cost convention as modified by the revaluation of selected non-current assets, and financial assets and liabilities for which the fair value basis of accounting has been applied.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Club's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The concept of accruals accounting has been adopted in preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

1 Summary of significant accounting policies (continued)

(c) Revenue recognition

Revenue is recognised at the fair value of consideration received or receivable, in the period in which it is earned.

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

(d) Income tax

The Club is exempt from income tax by virtue of section 50-45 of the Income Tax Assessment Act 1997 (as amended).

(e) Leases

Leases of property, plant and equipment where the Club, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Club as lessee are classified as operating leases (note 20). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(f) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(g) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

1 Summary of significant accounting policies (continued)

(h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Club will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the profit and loss.

(i) Investments and other financial assets

Classification

The Club classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting period.

j) Investments and other financial assets

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. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in the statement of financial position (note 7).

ii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Club's management has the positive intention and ability to hold to maturity. If the Club were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

iii. Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

1 Summary of significant accounting policies (continued)

j) Investments and other financial assets (continued)

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Club commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss, are initially recognised at fair value and transaction costs are expensed in the profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Club has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

Measurement

At initial recognition, the Club measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in profit or loss within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the statement of comprehensive income as part of revenue from continuing operations when the Club's right to receive payments is established. Interest income from these financial assets is included in the net gains/(losses).

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

Impairment

The Club assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired.

A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

1 Summary of significant accounting policies (continued)

j) Investments and other financial assets (continued)

i. Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Club may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the profit or loss.

k) Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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 Club and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are credited, net of tax, to other reserves in equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is transferred from the property, plant and equipment revaluation reserve to retained earnings.

Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

- Land	not depreciated
- Buildings	15 to 40 years
- Administration assets	3 to 20 years
- Bar & Galley assets	3 to 30 years
- Marina assets	3 to 40 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.
An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(j)).

1 Summary of significant accounting policies (continued)

k) Property, plant and equipment (continued)

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Club policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Club prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless a payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

m) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Club has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

n) Employee benefits

i. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of the employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee entitlements. All other short-term employee benefit obligations are presented as payables.

ii. Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Club recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after reporting date are discounted to present value.

(o) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

1 Summary of significant accounting policies (continued)

(o) Contributed equity (continued)

If the entity reacquires its own equity instruments, for example as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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 taxation authority 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 taxation authority, are presented as operating cash flows.

(q) Rounding of amounts

The Club is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest dollar.

2 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Club makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i. Impairment

The Club tests annually whether any assets have suffered any impairment, in accordance with the accounting policy stated in note 1(j). 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.

ii. Deferred revenue

The club has recognised a liability in relation to the funds received in advance for contribution toward the 'Lifetime Memberships' provided to the Fremantle Club members in the 2014 financial year. In recognising revenue related to the Lifetime Memberships, the club uses estimates and assumptions to calculate the current year's membership fees incurred / "earned". The estimates are based upon historical data of the FC Memberships and are updated each year based on actual movement in membership numbers. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Notes to the Financial Statements

For the Year ended 30 June 2016

3 Cost of sales for the period

	2016	2015
	A$	A$
(a) Bar expenses		
Value of inventory used	293,999	327,490
Employee benefits expense	303,499	285,970
Functions	5,118	-
Licenses	2,864	3,396
Minor consumables	3,760	4,599
Music & entertainment	23,995	29,609
Repairs & maintenance	2,137	3,049
Other	5,730	10,050
Total bar expenses	641,102	664,162

	2016	2015
	A$	A$
(b) Galley expenses		
Value of inventory used	386,362	481,176
Employee benefits expense	340,409	445,536
Cleaning	1,419	4,157
Licenses	578	-
Minor consumables	9,603	15,329
Repairs & maintenance	3,067	9,594
Other	5,874	3,876
Total galley expenses	747,312	959,668

4 Other expenses from normal activities

	2016	2015
	A$	A$
(a) Administration		
Advertising expenses	4,485	10,367
Audit fees	14,827	21,283
Bank charges	12,898	13,686
Cleaning	80,076	62,464
Committee expenses	11,242	22,188
Communication costs	19,275	21,323
Consultant & Contractor	1,007	49,863
Doubtful debts expense	-	3,024
Employee benefits expense	462,853	428,226
Fremantle Club Amalgamation expenses	1,162	-
Insurance	53,706	58,376
IT expense	19,102	-
Lease expense	5,475	21,889
Legal costs	7,486	92
Members amenities	20,129	20,216
Payroll tax	22,663	26,874
Printing, postage & stationery	34,820	30,155
Rent & Rates	132,821	124,232
Repairs & maintenance	16,741	23,242
Security	18,334	30,778
Staff amenities	13,872	14,070
Staff Training	7,637	7,176
Subscriptions	40,946	31,423
Utilities	105,940	118,909
Other	37,992	35,002
Total corporate and administration expenses	1,145,489	1,174,857

	2016	2015
	A$	A$
(b) Marina		
Cleaning	8,278	14,759
Consultant & Contractor	400	300
Employee benefits expense	58,088	69,580
Repairs & maintenance	63,744	70,959
Riverbed & jetty lease	39,336	32,907
Spare parts used	-	3,817
Utilities	-	-
Other	541	3,835
Total marina expenses	170,387	196,157

5 Income tax and deferred tax

As at 30 June management has assessed the Club as a Sporting Club for taxation purposes and is therefore exempt for the purposes of income tax.

6 Current assets – Cash and cash equivalents

	2016	2015
	A$	A$
Cash at bank and in hand	1,167,361	792,693
Cash floats, petty cash & ATM	19,940	18,840
Deposits at call	-	1,400,000
	1,187,301	2,211,533

7 Current assets – Trade and other receivables

	2016	2015
	A$	A$
Trade receivables[1]	679,611	765,220
Less provision for impairment	(17,556)	(17,556)
	662,055	747,664
Prepaid expenses	18,734	8,978
Other receivables	22,857	11,778
	703,646	768,420

The Club does not hold any collateral in relation to these receivables.

[1]*Trade receivables as at 30 June 2016 include membership fees for the next financial year, ending 30 June 2017*

8 Inventories & spares

	2016 A$	2015 A$
Bar	23,018	23,936
Galley	6,220	8,097
Marine spares	4,924	4,924
	34,162	36,958

9 Other Receivables

	2016 A$	2015 A$
Fremantle Club Amalgamation Fund[1]	3,400,000	3,400,000
Swan River Trust Bond	41,500	41,500
Bank West Guarantee	32,240	0
	3,473,920	3,441,500

[1]During the 2013/14 year the Club received $3,507,772 from the Fremantle Club Inc. (FC) as contribution for the amalgamation with the SYC. Under the terms of the agreement, the funds received from FC are to be applied by SYC towards refurbishment of the SYC premises. The funds are held over 3 term deposits with a maturity of 12 months. Refer to note 14 for further details of the agreement.

The Bank West Guarantee is a term deposit set aside against a bank guarantee for the Swan River Trust, a State Government regulatory body with statutory authority defined by the Swan and Canning Rivers Management Act 2006.

10 Non-current assets – Property, plant and equipment

	WIP A$	Office Equipment A$	Land & Buildings A$	Bar & Galley A$	Marine A$	Total A$
Year ended 30 June 2015						
Opening book amount	-	28,441	260,834	140,020	640,357	1,069,652
Adjustments/Write	-					
Additions	-	123,063	24,311	1,850	705,937	855,161
Disposals	-	-	-	-	-	-
Depreciation charge	-	(22,920)	(40,105)	(19,001)	(158,110)	(240,136)
Closing net book amount	-	**128,584**	**245,040**	**122,869**	**1,188,184**	**1,684,677**

Notes to the Financial Statements

For the Year ended 30 June 2016

As at 30 June 2015						
Cost	-	341,641	1,027,045	578,089	2,938,618	4,885,394
Accumulated depreciation	-	(213,057)	(782,005)	(455,220)	(1,750,435)	(3,200,717)
Net book amount	-	**128,584**	**245,040**	**122,869**	**1,188,184**	**1,684,677**

Year ended 30 June 2016						
Opening book amount	-	128,584	245,040	122,869	1,188,184	1,684,677
Adjustments/Write downs	-	-	-	-	-	-
Additions	1,023,422	8,430	25,549	-	411,237	1,468,638
Disposals	-	-	-	-	-	-
Depreciation charge	-	(48,005)	(49,126)	(19,100)	(171,408)	(287,639)
Closing net book amount	**1,023,422**	**89,009**	**221,463**	**103,769**	**1,428,013**	**2,865,676**

As at 30 June 2016						
Cost	1,023,422	350,072	1,052,594	578,089	3,349,856	6,354,033
Accumulated depreciation	-	(261,063)	(831,131)	(474,320)	(1,921,843)	(3,488,357)
Net book amount	**1,023,422**	**89,009**	**221,463**	**103,769**	**1,428,013**	**2,865,676**

11 Current liabilities – Trade and other payables

	2016 **A$**	**2015** **A$**
Trade payables	71,513	165,196
Accrued expenses	38,730	72,899
Function/Event Deposits	8,816	21,906
Goods & services tax payable	86,579	102,546
	205,638	362,546

12 Current liabilities – Unearned membership income invoiced in advance

	2016 **A$**	**2015** **A$**
Security fees	29,644	38,598
Ramp fees	20,276	20,938
Pen fees	615,137	559,479
Subs fees	443,573	452,818
Rate recovery fees	4,727	5,282
SSR fees	(127)	-
	1,113,230	1,077,115

Membership income is recognised in the profit and loss on a proportional basis over the period fees are earned.

13 Current liabilities – Provisions

	2016	2015
	A$	A$
Provision for annual leave	23,670	61,927
Provision for long service leave	8,965	-
	32,635	61,927

Annual leave accrued is presented as current, since the Club does not have an unconditional right to defer settlement. However, based on past experience, the Club does not expect all employees to take the full amount of accrued leave within the next 12 months.

14 Fremantle Club Amalgamation

	2016	2015
FC Lifetime Memberships Deferred revenue:	A$	A$
Current Liability	249,275	249,275
Non-Current Liability	2,619,167	2,868,441
	2,868,442	3,117,716

During a prior period the club entered into a Heads of Agreement to amalgamate with the Fremantle Club Inc (FC). The FC, upon voluntary winding up, transferred its surplus assets of $3,507,272 (amalgamation funds) to SYC. The final sum was transferred on 9 May 2015. In consideration for the amalgamation funds received, all members of the FC were given a 'Members for Life' membership with SYC, in which FC members are not required to pay levies and are entitled to use SYC boating facilities. As per the agreement, the amalgamation funds are to be applied by SYC towards funding the cost of refurbishing the SYC premises within 2 years from date of transfer.

At year end 30 June 2016 the club has recognised a total liability of $2,868,442 relating to unearned membership fees based on the fair value attributed to the "Members for Life" memberships given to FC members as consideration upon amalgamation.

15 Accumulated Funds

	2016	2015
	A$	A$
Accumulated members' funds at the beginning of the of the financial year	**3,477,583**	2,735,554
Surplus/ (Loss) attributable to the club	**510,176**	742,029
Accumulated members' funds at the end of the financial year	**3,987,759**	3,477,583

16 Remuneration of auditors

During the period the following fees were paid or payable for services provided by the auditor(s) of the Club, its related practices and non-related audit firms:

	2016	2015
	A$	A$
(a) Audit and other assurance services		
BDO Audit (WA) Pty Ltd		
Audit of financial statements	**20,000**	18,500
Total remuneration for audit and other assurance services	**20,000**	18,500
(b) Non audit and other assurance services		
Professional Services	-	-
Total remuneration for non-audit and other assurance services	-	-

17 Contingent liabilities

Management disclosed a contingent liability due to financial discrepancies arising in prior years and has engaged professional advice to determine the nature and extent of any possible financial liability. Investigative work was completed during the prior year however, as at the date of this report a reliable estimate of the amount of liability cannot be made as the amount is contingent on determination from the ATO. The club has sought specialist taxation advice and have been advised that the club may not be liable for fines and penalties from the ATO as a result of voluntary disclosure. From initial discussion with the tax specialist it was noted the club may be liable to pay an estimated $20,000 to the ATO for PAYG tax and GST shortfalls from prior years.

The Club had no contingent assets at either 30 June 2016 or 30 June 2015.

18 Commitments

Leasing commitments

The Club leases its club house and river bed rights under non-cancellable operating leases. The leases have varying terms, escalation clauses and renewal rights. Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	2016	2015
	A$	A$
Within one year	**91,385**	81,648
Later than one year but not later than five years	**365,540**	326,593
	456,925	408,241

The Club leases office equipment under cancellable operating leases. The Club is required to give three months' notice for termination of these leases.

The Club is provided with two vehicles from Melville Holden as part of a major sponsorship proposal where the Club will in turn provide Melville Holden with various advertising, brand exposure, and social benefits. During our review of the agreement, we considered the arrangement to contain the necessary elements to be considered an operating lease and each party should exchange a monthly invoice equivalent to the arm's length value of the vehicles operating lease. At the date of signing this report, Melville Holden did not respond to our requests for the equivalent value; therefore, offsetting transactions do not occur in the income statement.

19 Events occurring after the reporting date

No matter or circumstance has arisen since the end of the financial year which significantly affected or may significantly affect the operation of the Club, the results of those operations or the state of affairs of the Club in subsequent financial years.

20 Reconciliation of (loss)/profit after income tax to net cash outflow from operating activities

	2016	2015
	A$	A$
Gain/(Loss) for the period	510,176	742,029
Amortisation and depreciation	287,639	240,136
Decrease/(increase) in trade and other receivables	(184,500)	(200,987)
Decrease/(increase) in inventory	2,796	15,440
Decrease/(increase) in prepayments		4,828
Increase/(decrease) in member deposits	10,800	14,400
Increase/(decrease) in income in advance	36,115	(4,908)
Increase/(decrease) in trade and other payables	(156,908)	50,452
Increase/(decrease) in employee provisions	(29,292)	(12,116)
Net cash inflow used in operating activities	476,826	849,274

21 Individually significant items

		2016	2015
		A$	A$
Revenue			
Functions and Events	(i)	46,713	77,046
FC Memberships	(ii)	249,275	384,556

(i) Functions and events income excludes bar and galley sales at the relevant events. For financial reporting purposes, these have been classified in bar and galley in the statement of profit or loss and other comprehensive income.

(ii) FC Membership income relates to the deferred revenue liability of $3,502,272 received in the FY13/14 as contribution for the Lifetime Memberships given to the Fremantle Club members upon amalgamation with SYC. The revenue recognised at 30 June 2016 of $249,275 relates to the revenue derived from Lifetime Memberships provided during the current year and has been calculated based on the number of memberships given and the average number of years attributed to each membership.

swan yacht CLUB INC

ESTABLISHED 1904

SWAN YACHT CLUB

SPECIAL PURPOSE FINANCIAL REPORT

30 JUNE 2016 FULL YEAR

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2016

	Note	2016 A$	2015 A$
Income from continuing operations			
Bar		754,231	987,992
Galley		797,397	1,003,210
Marina		901,945	863,444
Membership		619,144	618,662
Functions and Events	21	46,713	77,046
		3,119,430	3,550,354
Other income			
Interest revenue		143,765	47,514
FC Memberships	21	249,275	384,556
Other revenue		16,679	42,713
		409,719	474,783
Total Income		3,529,149	4,025,137
Expenses			
Cost of sales - Bar	3(a)	641,102	664,162
Cost of sales - Galley	3(b)	747,312	959,668
Cost of sales – Functions and Events		27,043	48,127
		1,415,457	1,671,957
Other expenses from normal activities			
Administration	4(a)	1,145,489	1,174,858
Marina	4(b)	170,387	196,157
Depreciation and Amortisation	10	287,640	240,136
		1,603,516	1,611,151
Surplus before income tax		510,176	742,029
Income tax expense/(benefit)	5	-	-
Surplus attributable to the Club		510,176	742,029
Total Comprehensive Income attributable to the club		510,176	742,029

The above statement of comprehensive income should be read in conjunction with the accompanying notes

Statement of Financial Position

As at 30 June 2016

	Note	2016 A$	2015 A$
ASSETS			
Current assets			
Cash and cash equivalents	6	1,187,301	2,211,533
Trade and other receivables	7	703,646	768,420
Inventory & spares	8	34,162	36,958
Total current assets		1,925,109	3,016,911
Non-current assets			
Other Receivables	9	3,473,920	3,441,500
Property, plant and equipment	10	2,865,676	1,684,677
Total non-current assets		6,339,596	5,126,177
Total assets		8,264,705	8,143,088
LIABILITIES			
Current liabilities			
Trade and other payables	11	205,638	362,547
Unearned membership income invoiced in advance	12	1,113,230	1,077,115
Provision for employee entitlements	13	32,635	61,927
Fremantle Club Amalgamation Funds	14	249,275	249,275
Total current liabilities		1,600,778	1,750,864
Non-current liabilities			
Members deposits		57,000	46,200
Fremantle Club Amalgamation Funds	14	2,619,167	2,868,441
Total non-current liabilities		2,676,167	2,914,641
Total liabilities		4,276,945	4,665,505
Net assets		**3,987,760**	**3,477,583**
EQUITY			
Retained earnings		3,987,760	3,477,583
Total equity		3,987,760	**3,477,583**

The above statement of financial position should be read in conjunction with the accompanying notes

Statement of Changes in Equity

For the Year ended 30 June 2016

	Retained Earnings A$	Total Equity A$
Balance at 1 July 2014	2,735,554	2,735,554
Profit for the period	742,029	742,029
Total comprehensive income for the period	742,029	742,029
Balance at 30 June 2015	3,477,583	3,477,583
Profit for the period	**510,176**	510,176
Total comprehensive income for the period	510,176	510,176
Balance at 30 June 2016	3,987,760	3,987,760

The above statement of changes in equity should be read in conjunction with the accompanying notes

Statement of Cash Flows

For the Year ended 30 June 2016

	Notes	2016 A$	2015 A$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating activities		3,499,869	4,089,951
Payments to suppliers and employees		(3,166,808)	(3,288,192)
Interest received		143,765	47,514
Net cash inflow/(outflow) from operating activities	**20**	476,826	849,273
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment	**10**	(1,468,638)	(855,161)
Net cash inflow/(outflow) from investing activities		(1,468,638)	(855,161)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings (overdraft and members)		-	-
Net cash inflow/(outflow) from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(991,812)	(5,888)
Cash and cash equivalents at beginning of reporting period		2,211,533	2,217,421
Cash and cash equivalents at end of reporting period	**6**	1,219,721	2,211,533

The above statement of cash flows should be read in conjunction with the accompanying notes

NOTES TO THE FINANCIAL STATEMENTS

1 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements represent the Club's accounts of the Swan Yacht Club.

The accounting policies adopted are consistent with those of the previous financial year.

(a) New, revised or amended Accounting Standards and Interpretations adopted

The Club has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards and Interpretations that are not yet mandatory have not been early adopted. Any significant impact on the accounting policies of the Club from the adoption of these Accounting Standards and Interpretations are disclosed in the relevant accounting policy. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Club.

(b) Basis of preparation

These financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Club's members. The Managing Committee has determined that the Club is not a reporting entity.

The report has been prepared in accordance with the requirements of the Management Committee and the following Australian Accounting Standards:

AASB 101	*Presentation of Financial Statements*
AASB 108	*Accounting Policies, Changes in Accounting Estimates and Errors*
AASB 107	*Statement of Cash Flows*
AASB 110	*Events after the End of the Reporting Period*
AASB 116	*Property, Plant & Equipment*
AASB 1031	*Materiality*
AASB 1048	*Interpretation and Application of Standards*

No other Australian Accounting Standards and authoritative pronouncements of the Australian Accounting Standards Board have been applied.

Historical cost convention

These financial statements have been prepared under the historical cost convention as modified by the revaluation of selected non-current assets, and financial assets and liabilities for which the fair value basis of accounting has been applied.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Club's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The concept of accruals accounting has been adopted in preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

1 Summary of significant accounting policies (continued)

(c) Revenue recognition

Revenue is recognised at the fair value of consideration received or receivable, in the period in which it is earned.

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

(d) Income tax

The Club is exempt from income tax by virtue of section 50-45 of the Income Tax Assessment Act 1997 (as amended).

(e) Leases

Leases of property, plant and equipment where the Club, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Club as lessee are classified as operating leases (note 20). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(f) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(g) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

1 Summary of significant accounting policies (continued)

(h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Club will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the profit and loss.

(i) Investments and other financial assets

Classification

The Club classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting period.

j) Investments and other financial assets

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. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in the statement of financial position (note 7).

ii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Club's management has the positive intention and ability to hold to maturity. If the Club were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

iii. Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

1 Summary of significant accounting policies (continued)

j) Investments and other financial assets (continued)

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Club commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss, are initially recognised at fair value and transaction costs are expensed in the profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Club has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

Measurement

At initial recognition, the Club measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in profit or loss within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the statement of comprehensive income as part of revenue from continuing operations when the Club's right to receive payments is established. Interest income from these financial assets is included in the net gains/(losses).

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

Impairment

The Club assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired.

A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

1 Summary of significant accounting policies (continued)

j) Investments and other financial assets (continued)

i. Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Club may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the profit or loss.

k) Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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 Club and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are credited, net of tax, to other reserves in equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is transferred from the property, plant and equipment revaluation reserve to retained earnings.

Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

- Land	not depreciated
- Buildings	15 to 40 years
- Administration assets	3 to 20 years
- Bar & Galley assets	3 to 30 years
- Marina assets	3 to 40 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.
An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(j)).

1 Summary of significant accounting policies (continued)

k) Property, plant and equipment (continued)

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Club policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Club prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless a payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

m) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Club has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

n) Employee benefits

i. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of the employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee entitlements. All other short-term employee benefit obligations are presented as payables.

ii. Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Club recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after reporting date are discounted to present value.

(o) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

1 Summary of significant accounting policies (continued)

(o) Contributed equity (continued)

If the entity reacquires its own equity instruments, for example as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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 taxation authority 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 taxation authority, are presented as operating cash flows.

(q) Rounding of amounts

The Club is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest dollar.

2 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Club makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i. Impairment

The Club tests annually whether any assets have suffered any impairment, in accordance with the accounting policy stated in note 1(j). 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.

ii. Deferred revenue

The club has recognised a liability in relation to the funds received in advance for contribution toward the 'Lifetime Memberships' provided to the Fremantle Club members in the 2014 financial year. In recognising revenue related to the Lifetime Memberships, the club uses estimates and assumptions to calculate the current year's membership fees incurred / "earned". The estimates are based upon historical data of the FC Memberships and are updated each year based on actual movement in membership numbers. The resulting accounting estimates will, by definition, seldom equal the related actual results.

3 Cost of sales for the period

	2016	2015
	A$	A$
(a) Bar expenses		
Value of inventory used	293,999	327,490
Employee benefits expense	303,499	285,970
Functions	5,118	-
Licenses	2,864	3,396
Minor consumables	3,760	4,599
Music & entertainment	23,995	29,609
Repairs & maintenance	2,137	3,049
Other	5,730	10,050
Total bar expenses	641,102	664,162

	2016	2015
	A$	A$
(b) Galley expenses		
Value of inventory used	386,362	481,176
Employee benefits expense	340,409	445,536
Cleaning	1,419	4,157
Licenses	578	-
Minor consumables	9,603	15,329
Repairs & maintenance	3,067	9,594
Other	5,874	3,876
Total galley expenses	747,312	959,668

Notes to the Financial Statements

For the Year ended 30 June 2016

4 Other expenses from normal activities

	2016	2015
	A$	A$
(a) Administration		
Advertising expenses	4,485	10,367
Audit fees	14,827	21,283
Bank charges	12,898	13,686
Cleaning	80,076	62,464
Committee expenses	11,242	22,188
Communication costs	19,275	21,323
Consultant & Contractor	1,007	49,863
Doubtful debts expense	-	3,024
Employee benefits expense	462,853	428,226
Fremantle Club Amalgamation expenses	1,162	-
Insurance	53,706	58,376
IT expense	19,102	-
Lease expense	5,475	21,889
Legal costs	7,486	92
Members amenities	20,129	20,216
Payroll tax	22,663	26,874
Printing, postage & stationery	34,820	30,155
Rent & Rates	132,821	124,232
Repairs & maintenance	16,741	23,242
Security	18,334	30,778
Staff amenities	13,872	14,070
Staff Training	7,637	7,176
Subscriptions	40,946	31,423
Utilities	105,940	118,909
Other	37,992	35,002
Total corporate and administration expenses	1,145,489	1,174,857

	2016	2015
	A$	A$
(b) Marina		
Cleaning	8,278	14,759
Consultant & Contractor	400	300
Employee benefits expense	58,088	69,580
Repairs & maintenance	63,744	70,959
Riverbed & jetty lease	39,336	32,907
Spare parts used	-	3,817
Utilities	-	-
Other	541	3,835
Total marina expenses	170,387	196,157

5 Income tax and deferred tax

As at 30 June management has assessed the Club as a Sporting Club for taxation purposes and is therefore exempt for the purposes of income tax.

6 Current assets – Cash and cash equivalents

	2016	2015
	A$	A$
Cash at bank and in hand	1,167,361	792,693
Cash floats, petty cash & ATM	19,940	18,840
Deposits at call	-	1,400,000
	1,187,301	2,211,533

7 Current assets – Trade and other receivables

	2016	2015
	A$	A$
Trade receivables[1]	679,611	765,220
Less provision for impairment	(17,556)	(17,556)
	662,055	747,664
Prepaid expenses	18,734	8,978
Other receivables	22,857	11,778
	703,646	768,420

The Club does not hold any collateral in relation to these receivables.

[1] *Trade receivables as at 30 June 2016 include membership fees for the next financial year, ending 30 June 2017*

8 Inventories & spares

	2016 A$	2015 A$
Bar	23,018	23,936
Galley	6,220	8,097
Marine spares	4,924	4,924
	34,162	36,958

9 Other Receivables

	2016 A$	2015 A$
Fremantle Club Amalgamation Fund[1]	3,400,000	3,400,000
Swan River Trust Bond	41,500	41,500
Bank West Guarantee	32,240	0
	3,473,920	3,441,500

[1]During the 2013/14 year the Club received $3,507,772 from the Fremantle Club Inc. (FC) as contribution for the amalgamation with the SYC. Under the terms of the agreement, the funds received from FC are to be applied by SYC towards refurbishment of the SYC premises. The funds are held over 3 term deposits with a maturity of 12 months. Refer to note 14 for further details of the agreement.

The Bank West Guarantee is a term deposit set aside against a bank guarantee for the Swan River Trust, a State Government regulatory body with statutory authority defined by the Swan and Canning Rivers Management Act 2006.

10 Non-current assets – Property, plant and equipment

	WIP A$	Office Equipment A$	Land & Buildings A$	Bar & Galley A$	Marine A$	Total A$
Year ended 30 June 2015						
Opening book amount	-	28,441	260,834	140,020	640,357	1,069,652
Adjustments/Write	-					
Additions	-	123,063	24,311	1,850	705,937	855,161
Disposals	-	-	-	-	-	-
Depreciation charge	-	(22,920)	(40,105)	(19,001)	(158,110)	(240,136)
Closing net book amount	-	**128,584**	**245,040**	**122,869**	**1,188,184**	**1,684,677**

As at 30 June 2015						
Cost	-	341,641	1,027,045	578,089	2,938,618	4,885,394
Accumulated depreciation	-	(213,057)	(782,005)	(455,220)	(1,750,435)	(3,200,717)
Net book amount	-	**128,584**	**245,040**	**122,869**	**1,188,184**	**1,684,677**
Year ended 30 June 2016						
Opening book amount	-	128,584	245,040	122,869	1,188,184	1,684,677
Adjustments/Write downs	-	-	-	-	-	-
Additions	1,023,422	8,430	25,549	-	411,237	1,468,638
Disposals	-	-	-	-	-	-
Depreciation charge	-	(48,005)	(49,126)	(19,100)	(171,408)	(287,639)
Closing net book amount	**1,023,422**	**89,009**	**221,463**	**103,769**	**1,428,013**	**2,865,676**
As at 30 June 2016						
Cost	1,023,422	350,072	1,052,594	578,089	3,349,856	6,354,033
Accumulated depreciation	-	(261,063)	(831,131)	(474,320)	(1,921,843)	(3,488,357)
Net book amount	**1,023,422**	**89,009**	**221,463**	**103,769**	**1,428,013**	**2,865,676**

11 Current liabilities – Trade and other payables

	2016 A$	2015 A$
Trade payables	71,513	165,196
Accrued expenses	38,730	72,899
Function/Event Deposits	8,816	21,906
Goods & services tax payable	86,579	102,546
	205,638	362,546

12 Current liabilities – Unearned membership income invoiced in advance

	2016 A$	2015 A$
Security fees	29,644	38,598
Ramp fees	20,276	20,938
Pen fees	615,137	559,479
Subs fees	443,573	452,818
Rate recovery fees	4,727	5,282
SSR fees	(127)	-
	1,113,230	1,077,115

Membership income is recognised in the profit and loss on a proportional basis over the period fees are earned.

13 Current liabilities – Provisions

	2016	2015
	A$	A$
Provision for annual leave	23,670	61,927
Provision for long service leave	8,965	-
	32,635	61,927

Annual leave accrued is presented as current, since the Club does not have an unconditional right to defer settlement. However, based on past experience, the Club does not expect all employees to take the full amount of accrued leave within the next 12 months.

14 Fremantle Club Amalgamation

	2016	2015
FC Lifetime Memberships Deferred revenue:	A$	A$
Current Liability	249,275	249,275
Non-Current Liability	2,619,167	2,868,441
	2,868,442	3,117,716

During a prior period the club entered into a Heads of Agreement to amalgamate with the Fremantle Club Inc (FC). The FC, upon voluntary winding up, transferred its surplus assets of $3,507,272 (amalgamation funds) to SYC. The final sum was transferred on 9 May 2015. In consideration for the amalgamation funds received, all members of the FC were given a 'Members for Life' membership with SYC, in which FC members are not required to pay levies and are entitled to use SYC boating facilities. As per the agreement, the amalgamation funds are to be applied by SYC towards funding the cost of refurbishing the SYC premises within 2 years from date of transfer.

At year end 30 June 2016 the club has recognised a total liability of $2,868,442 relating to unearned membership fees based on the fair value attributed to the "Members for Life" memberships given to FC members as consideration upon amalgamation.

15 Accumulated Funds

	2016	2015
	A$	A$
Accumulated members' funds at the beginning of the of the financial year	**3,477,583**	2,735,554
Surplus/ (Loss) attributable to the club	**510,176**	742,029
Accumulated members' funds at the end of the financial year	**3,987,759**	3,477,583

16 Remuneration of auditors

During the period the following fees were paid or payable for services provided by the auditor(s) of the Club, its related practices and non-related audit firms:

	2016	2015
	A$	A$
(a) Audit and other assurance services		
BDO Audit (WA) Pty Ltd		
Audit of financial statements	**20,000**	18,500
Total remuneration for audit and other assurance services	**20,000**	18,500
(b) Non audit and other assurance services		
Professional Services	-	-
Total remuneration for non-audit and other assurance services	-	-

17 Contingent liabilities

Management disclosed a contingent liability due to financial discrepancies arising in prior years and has engaged professional advice to determine the nature and extent of any possible financial liability. Investigative work was completed during the prior year however, as at the date of this report a reliable estimate of the amount of liability cannot be made as the amount is contingent on determination from the ATO. The club has sought specialist taxation advice and have been advised that the club may not be liable for fines and penalties from the ATO as a result of voluntary disclosure. From initial discussion with the tax specialist it was noted the club may be liable to pay an estimated $20,000 to the ATO for PAYG tax and GST shortfalls from prior years.

The Club had no contingent assets at either 30 June 2016 or 30 June 2015.

18 Commitments

Leasing commitments

The Club leases its club house and river bed rights under non-cancellable operating leases. The leases have varying terms, escalation clauses and renewal rights. Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	2016	2015
	A$	A$
Within one year	**91,385**	81,648
Later than one year but not later than five years	**365,540**	326,593
	456,925	408,241

The Club leases office equipment under cancellable operating leases. The Club is required to give three months' notice for termination of these leases.

The Club is provided with two vehicles from Melville Holden as part of a major sponsorship proposal where the Club will in turn provide Melville Holden with various advertising, brand exposure, and social benefits. During our review of the agreement, we considered the arrangement to contain the necessary elements to be considered an operating lease and each party should exchange a monthly invoice equivalent to the arm's length value of the vehicles operating lease. At the date of signing this report, Melville Holden did not respond to our requests for the equivalent value; therefore, offsetting transactions do not occur in the income statement.

19 Events occurring after the reporting date

No matter or circumstance has arisen since the end of the financial year which significantly affected or may significantly affect the operation of the Club, the results of those operations or the state of affairs of the Club in subsequent financial years.

20 Reconciliation of (loss)/profit after income tax to net cash outflow from operating activities

	2016 A$	2015 A$
Gain/(Loss) for the period	510,176	742,029
Amortisation and depreciation	287,639	240,136
Decrease/(increase) in trade and other receivables	(184,500)	(200,987)
Decrease/(increase) in inventory	2,796	15,440
Decrease/(increase) in prepayments		4,828
Increase/(decrease) in member deposits	10,800	14,400
Increase/(decrease) in income in advance	36,115	(4,908)
Increase/(decrease) in trade and other payables	(156,908)	50,452
Increase/(decrease) in employee provisions	(29,292)	(12,116)
Net cash inflow used in operating activities	476,826	849,274

21 Individually significant items

		2016 A$	2015 A$
Revenue			
Functions and Events	(i)	46,713	77,046
FC Memberships	(ii)	249,275	384,556

(i) Functions and events income excludes bar and galley sales at the relevant events. For financial reporting purposes, these have been classified in bar and galley in the statement of profit or loss and other comprehensive income.

(ii) FC Membership income relates to the deferred revenue liability of $3,502,272 received in the FY13/14 as contribution for the Lifetime Memberships given to the Fremantle Club members upon amalgamation with SYC. The revenue recognised at 30 June 2016 of $249,275 relates to the revenue derived from Lifetime Memberships provided during the current year and has been calculated based on the number of memberships given and the average number of years attributed to each membership.