



SWAN YACHT CLUB

SPECIAL PURPOSE FINANCIAL REPORT

30 JUNE 2019 FULL YEAR

Special Purpose Financial Report

30 JUNE 2019 FULL YEAR

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CLUB DIRECTORY

Management Committee

Mr P Nicholls	Commodore
Mr I Harwood	Vice Commodore
Mr S Browne	Rear Commodore
Mr B Piggott	Rear Commodore Power & Angling
Mr J Turnbull	Treasurer
Mr G Dart	
Mr K Sorrell	
Mr D Nankivell	
Mr M West	
Mr T Gray	
Mr S Gard	

Executive Positions

Mr D Gaspar	General Manager
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Administration Office

Riverside Road
East Fremantle
WA 6158
Telephone: +61 (0) 8 9339 3520
Facsimile: +61 (0) 8 9339 5995

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street

Subiaco, WA 6008

Web Site

www.swanyachtclub.com.au

General Manager Report
For the Year Ended 30 June 2019

GENERAL MANAGER REPORT

On behalf of the Commodore Paul Nicholls, the Management Committee and all the team members I have great pleasure in presenting the Annual Report for 115th Club year ending 30 June 2019.

During this past year the Club has hosted member's weddings, birthdays, anniversaries and other celebrations. We have also shared in the loss of your family and friends and to all those who have lost loved ones or experiencing continued ill health, our thoughts are with you.

The Club has brought you some top entertainers as well as showcased our local talent. We have hosted many sporting groups for their presentation and end of season celebrations. Our schools continue to use our facilities as a safe and enjoyable venue for their celebrations and social events. The Club remains a vital part of our community for all our members, friends and family.

I take this opportunity to thank our staff and our volunteers who support management every day – it takes a dedicated and passionate team to deliver a unique offer such as ours with a Club we are proud of.

Highlights of 2019

The following is a summary of just some of the Club achievements over the past 12 months.

Our membership activity for the year continued to show a positive trend. Overall membership at the end of the Financial Year had increased by 3% recorded at 2779.

A growing membership is essential for the long-term sustainability of any Club and I thank those members who actively encourage their family and friends to get on board and join our vibrant club community.

2018/2019 saw the Swan Yacht Club host a number of major or new events that again demonstrated the versatility of the Club.

New to the Clubs calendar was the Odyssey Weekend. The Odyssey Explorer stationed at the Club over the weekend proved to be an outstanding success with 46 new members jumping on board. Full Member, Bruce Ryan taking home the Odyssey Expeditions Cruise valued at \$16,900!

The Garden Party cultural event attracted a crowd of 1600 persons on New Year's Day. The festivities included an international line up of DJ's and demonstrated the Club's ability to manage large community attractions.

November's Melbourne Cup, continues to grow in popularity. The race that stops the nation attracted over 600 punters with members and guests, indulging in a range of fun colourful activities and refreshments.

The Club promised in 2017/2018 the introduction of a Member's *Sundowner on a quarterly basis*. The number was exceeded with eight Sundowners being held throughout the year for the member's enjoyment.

The Club delivered on budgeted capital improvements including the jetty CCTV upgrades, and increased maintenance within the marina an example being extensive pile replacement.

You will read in the Treasurer's report the positive financial result for the Club at a time where the hospitality Club industry is reportedly on the decline.

In June, the Club was awarded **Best Club Refurbishment and Club Marketing of the Year** at the Clubs WA gala event. Clubs WA, being the governing body across our state and overseeing over 800 clubs.

In summary, 2018/2019 year was one to be proud of exceeding expectations. The commitment and energy demonstrated by Committee, Volunteers and Staff was outstanding.

General Manager Report
For the Year Ended 30 June 2019

Delivering our strategy

The Club exists to give members access to a riverside lifestyle, quality marine infrastructure and a friendly Club based community our long term vision is: Bringing Life to the River.

Our offer: A riverside lifestyle, underpinned by quality marine infrastructure, brilliant service, and great food and entertainment in an unbeatable, family friendly setting, with a true Club vibe.

Looking forward we will continue to execute our strategy in three key areas:

Facilities and Infrastructure

A number of key capital expenditure initiatives were started and/or completed during the financial year they include:

- Pile replacements
- Hard stand lighting install - Completed June 2019
- Jetty CCTV upgrades - Completed May 2019
- Hard stand fencing install – Completed May 2019
- Alfresco blinds install – Completed May 2019

Attracting, Engaging People and the way forward

Congratulations to Ryan Khong for being awarded Best Club Marketing at the Clubs WA award ceremony for the second year. Ryan is responsible for the execution of the plan to re-invigorate our marketing through various means an area of the Club that we identified as having huge potential for growth.

Pleasingly, the Club Member Net Promoter Score (*How likely are you to recommend the Swan Yacht Club to others*) survey results improved. Full members jumping from 7.4 in 2017/2018 to 7.84 in 2018/2019 with the score rated out of 10.

The positive response from the Social members grew from 7.93 in 2017/2018 to 8.35 in 2018/2019.

Innovation underpins the Club philosophy on growth and we will continue to assess new member offers and improve our current processes based on measurable data.

An incredibly successful activation point, as touched on, turned out to be the Odyssey Weekend. With the support of Odyssey Expeditions and Kass Helicopters the Club hosted a long list of activities throughout the two days including; cruises out to the Odyssey vessel, Department of Transport demonstrations, Fremantle Rowing Club activities, Affiliate demonstrations, live entertainment and members had the chance to win the 9 day Kimberly Odyssey Kimberly tour. Full member, Bruce Ryan was the lucky recipient of the prize whilst the Club was equally a winner with 46 new members jumping on board over the weekend.

The support shown by our Club community was incredible sponsors, presenters, volunteers and staff all pitched in to make it a great weekend.

Activities such as Odyssey Weekend increases our community outreach are a welcomed revenue stream and an innovative offer that enables the Club to further engage volunteers and optimise sponsors.

Financial sustainability

On completion of the building works, the focus was directed to functions and events whilst acknowledging the need to recognise our traditional sources of income including the marina and membership.

**General Manager Report
For the Year Ended 30 June 2019**

Our Marina, Membership and Bar remained steady throughout the season with the big improver being the Galley.

Our galley rebounded after a slow 2017/2018 to record some outstanding results this season. The turnaround can be attributed to a number of factors including improved cost controls, improved team cohesiveness, general management and a genuine desire to provide our members with an improved experience across functions, events and member's general dining.

Pricing of new menus to deliver the desired future results is under review.

In the short term the club continues to review all revenue and expenses.

During the year, the Club conducted competitive tenders for multiple supply contracts.

All future capital expenditure is planned and equally important is the ability for the Club to maintain our facilities on and off the water. The Club has in place a 10 year maintenance plan with sufficient financial reserves to finance future capital and maintenance programs.

Safety and Environmental Initiatives

The following is an overview of the safety initiatives introduced over the past 12 months.

- Jetty CCTV install
- Hard stand car park flood lighting install
- Dinghy rack garrison fencing install.
- Member Liaison Officer
- Marina underwater survey and anode replacement
- Ramp remedial works
- Install of speed monitoring channel device with the support of BWA

Environmental initiatives

The club continued its commitment to environmental sustainability incorporating all the environmentally sustainable features that we can afford.

We are already seeing significantly reduced environmental impact on our operations through the replacement of existing lighting systems with low energy lighting technologies, implementing changes to heating and ventilation systems, removal of outdated septic systems with deep sewerage connection, introduction of an Environmental Management Plan, Landscape Management Plan, Stormwater Management Plan, Recycling initiatives and an asbestos register.

The introduction of alfresco blinds has seen a significant drop in gas usage for heating. The Club usage is approximately half of what it was recorded in previous years prior to the install.

**General Manager Report
For the Year Ended 30 June 2019**

The Club can now represent itself as a responsible ambassador and promoter of sustainable design.

Mooring Committee

The Mooring Committee has been active over the past 12 months. The Mooring Committee includes the following members; Steven Browne, Kim Sorrell, Graham Dart, Steve Gard, Dennis Nankivell and Kevin Bielby. The Mooring Committee also acknowledges the efforts of Tim Howard who unfortunately was unable to commit to the full season due to increasing work commitments.

The following are some of the key activities the Committee are responsible for and undertaken in the past 12 months.

Governance in relation to Pens and Pen Compliance

The Committee will continue to enforce all rules and regulations relating to the policing of the marina. The Points List, Pen Compliance and Pen Licence Agreements are annually audited in an effort to ensure members meet the standard obligations.

Maintenance Plan

The Mooring Committee has worked to identify regular and future maintenance activities for the club and have assembled a 10 year plan so that the activities can be budgeted for on a regular basis. Pile replacements exceeded budget during the season and the Club has increased the budget for pile replacement for the current season.

The pile caps install continued throughout the season and I thank the volunteers who assisted with these works.

The Pen allocations

The Mooring Committee is responsible for the allocation of pens to members. The pen wait list is the Committee's number 1 tool when allocating pens at the Mooring Committee monthly meeting. Members must ensure information provided is accurate and current at all times.

Jetty CCTV

Jetty 5 and 3 CCTV system install was one of the key improvements designed at providing the Club and its members with the tools to identify offences and aid the investigation process. Scheduled for during the season is the additional install of CCTV for the ends of Jetty 2 and 1.

House Committee

The 2018/2019 year saw the club host a number of major new function and events that again demonstrated the versatility of the Swan.

Functions and Events

Among them was ANZAC Day, New Year's Eve event, Australia Day, Crabfest, Day with our Sports Stars, Melbourne Cup, Open Day and Christmas Day luncheon.

Our ladies Social group assisted Paul Nicholls with his Commodores Ball and we look forward to the upcoming Ball which promises to be an outstanding event featuring Landslide.

**General Manager Report
For the Year Ended 30 June 2019**

Revised events during the year included the Habitat Garden Party cultural event where the Club played host to 1600 patrons enjoying the musical talents of assorted international DJ's.

Separately, members were treated throughout the year with offers which included significantly discounted beverages, wine tasting evenings, Sundowners, Open Mic Night, Mess Night, Mother's Day, Father's Day festivities, AFL Grand Final and lunch time specials offering affordable food and beverage offers

Community partners and suppliers

To Paul Davies and the team at Maddington & Canning vale Toyota your promotional role in making the partnership so effective is much appreciated.

Corporate Challenge sponsorship continued to promote members and supplier's businesses from within.

Paul Nicholls Boat Sales, the winning team taking home an advertising package valued at \$25,000.

A huge thankyou goes out to all who participated. They include;

Paul Nicholls Boat Sales

DMI Signs

Jurovich Surveying

Fresh Provisions

TMM the Mooring Man

Amboss Australia

Shorewater Marine

HD Consult

Shoreline Marine

TI Systems

Riley's Electrical Services

Prestige Marine and General Engineering

Trident Marine Insurance

CVAC Air-conditioning Services

Sweeny Marine

Pleisure Marine

Yard Property

McFarland Plumbing

Brown Brothers Furniture

Print SYNC

Odyssey Expeditions

Swansea Marine

Xtreme Protective Coatings Pty Ltd

Global Civil and Mining Engineering Supplies

Perna Group

Institute of Building Technology WA

Wright Marine Management

East Fremantle Pool Maintenance

Fairway Panel and Paint

Transconsult

Caporn & Young Estate Agents Fremantle Stephanie Dobro.

I encourage all members to get on board and support our growing community with the full list of Swan Yacht Club listed business displayed on our website.

**General Manager Report
For the Year Ended 30 June 2019**

Our Club Affiliates include:

Stand Up Paddle WA

Fremantle Outriggers Canoe Club

Fremantle Swan Dragon Boat Club

Training Ship Perth – Navy Cadets

Separately, the Fremantle Rowing Club offer of gym membership has proven popular with 20 members taking up the offer of the Rowing Club gym membership whilst enjoying the social amenities of the Swan.

In company with Club Affiliates our Angling Section is the Club's key Sub – Section.

I would like to congratulate Angling Captain, James Aps and his able team, on a successful Angling season which culminated in an outstanding Intra Club tournament where some fine catches were recorded on the day....by some.

Our Social Events Group led by Marian Byfield were again busy responsible for a successful Cancer Council, Biggest Morning Tea, Commodores Ball and Ladies Lunches.

The big improver for the season was the Open Mike Nights which offered members the opportunity for members to test their tones late into the night. The evenings simply grew and grew in popularity. Well done to all those who took up the 'mike'.

Separately the Club supported many worthy causes throughout the year including Police Legacy, WA Hogs Police Football Team, Perth Children's Hospital, and Fremantle Rowing Club.

In addition, this year the Club has teamed up with The Saba Rose Button Foundation which was established to help a special little girl named Saba. Although perfectly healthy, Saba had a severe and life changing reaction to a 2010 flu vaccine at age 11 months.

The Saba Rose Button Foundation is a not-for-profit charity focused on raising funds to help children who have special needs and their families. The funds raised will pay for these children to participate in 'intensive blocks' of physiotherapy, for specialised equipment that is needed, for parental respite and for care in the home. Members can donate to The Saba Rose Button Foundation at any time by contacting the Club.

The Club continues to promote the Act, Belong - Commit message. A comprehensive health promotion campaign that encourages individuals to take action to protect and promote their own mental wellbeing and encourages organisations that provides mentally healthy activities to promote participation in those activities.

Inclusiveness is the strength of the Club. The House Committee will again be working on initiatives to offer a greater variety of functions and events in the coming year while keeping the environment relaxed and inviting.

Five Year Plan, Policy and Procedure

The Management Committee continue to ensure clear direction and financial security of the Club.

As reported this time last year with our 2018-2022 Five Year Strategic Plan in place in company with the strategies to ensure the club has sufficient financial reserves we aim to finance the future capital and maintenance programs.

Future capital projects include the River deck which planned to be installed during the current season whilst in 2021 the Jetty 5 replacement is scheduled to commence.

**General Manager Report
For the Year Ended 30 June 2019**

Scheduled maintenance works in the season include the imminent commencement of Riverbed Maintenance accompanied with increased and regular jetty maintenance below and above water.

The Town of East Fremantle Rent Review is anticipated in the first half of the season and the Club looks forward to working closely with the Town for a positive outcome.

The Clubs Conflict of Interest Policy was introduced and circulated in October 2018 whilst in June 2019 members approved to changes to the Club Constitution at the June held Special Meeting

Summary

The year that we had would not have been possible without the support of you our members. By being member's you have contributed to our overall success of the Swan Yacht Club.

In support, well done to our frontline staff led by Food and Beverage Manager Tanya Critchley and the team including Jordan, Chefs Trevor, Sumit, Vivek and the Crew. You play an essential role as the Club continually looks to improve on our service to members. I thank you for your efforts throughout the year.

Bosuns Greg, Trevor and the boys including Mick, Trey, Jordan and Darcy thank you for your commitment including the early starts maintaining the Club and assisting with anything and everything we have thrown at you over the year.

To the administration team Dave, Kayla, Natalie, Tanya, Ryan and Cindy thank you for your commitment to the club's mission and all the planning, strategizing and support behind the scenes which I have enjoyed thoroughly.

In closing, I thank Commodore Paul Nicholls for the energy he brings to the role as Commodore and the guidance throughout the year.

The Management Committee and Sub Committees over the past 12 months have continued to commit an incredible amount of time to governance and it has been a pleasure to share in some of the challenges and ultimately the successes as a team throughout the year.

The Swan Yacht Club will continue engage members with an aim to increase patronage and drive revenue growth which will lead to re-investment, brilliant evolving offer and a more vibrant Club where we aim to offer lower prices and ultimately happier members.

I look forward to working with Commodore Paul Nicholls and the team for another year as the Club continues with its mission of **'Bringing life to the river'!**

Damien Gaspar



General Manager
6th August 2019

Treasurer's Report
For the Year Ended 30 June 2019

TREASURER'S REPORT

Financial Performance

After the success of 2018, the club was unsure whether it could maintain the hype of the new renovation but it I am very pleased to state that it once again exceeded our expectations in 2019. The club continued to experience record membership numbers, growing numbers of functions and events and a variety of sold out club events 2019 was everything we could have hoped for. Total reported profit for the year to 30 June 2019 was \$878k, compared to \$667k for the prior year.

Marina and membership income were higher than anticipated, reflecting strong demand for pens and the club's increased membership base. Bar sales continued to produce stronger than expected results and galley fell just short of budget but was still able to return a surplus for the year. Functions and events income continued to increase and strong interest places up with a positive outlook. Administrative costs were tightly managed throughout the year and as a result the overall costs were well below budget.

With ageing jetties and maintaining a new facility, the primary focus of the year has been to ensure the current capital expenditure program and associated club cash flows were managed efficiently to provide maximum value for members. The focus this coming year continues to be one of consolidation and building up reserves to allow for pending jetty maintenance by using the return of this investment through increased patronage at the club.

Marina & Memberships

Marina income exceeded expectation this year with larger than anticipated pen movements. Membership numbers continue to be higher than last year and results in membership income increased by 3%.

In 2019, Marina income was up 2% on the previous year. The marina revenue continued to experience a larger than normal amount of pen movement. During the year there were very few pens that remained empty for longer than a couple of weeks. Marina repairs and maintenance expenses totalled \$105,000 to ensure the upkeep of the jetties for members and well as a complete safety audit to ensure the safety of all members and guests whilst moving around the club.

Going forward we will be looking to continue to increase social membership numbers (as well as Bar/Galley/Function revenue as discussed in the next section) as a preferable means to grow the club's revenues therefore limiting future fee increases.

Bar/Galley/Functions

The strong growth of the 2018 Bar/Galley/Functions sales were maintained in 2019 at \$3.63m. Member's and their guests welcomed the changes and patronage exceeded expectations. Interest in function room facilities grew and ensures it will continue to be a positive revenue stream for the club.

The addition of the new blinds in the alfresco area has allowed members to make the most of the undercover area whilst still remaining warm and dry throughout winter. The new PA system in the upstairs function area has allowed for better coverage and use of the function rooms. The club has also increased the size of the stage to allow for greater use.

This summer again saw record member attendance, bar and galley sales and new memberships. The club promoted and managed numerous recurring events and several new events and all were well received and

Treasurer's Report
For the Year Ended 30 June 2019

supported. The club will continue to be proactive in offering the best in events in its stunning building and allow us as a club to continue to "bring life to the river".

Administration

A detailed breakdown of administration costs is outlined in note 4(a) of the financial statements. Costs associated with administration have had a heavy focus this year and resulted in the expenses being \$69k below budget.

The main areas of increase in administration expenses were in the member's amenities, music, cleaning/rubbish removal and function expenses. The club made a conscious decision to increase its spending in member related areas (music, members amenities and function expenses) in an effort to give back to the members. Cleaning costs exceeded budget due to the delay of receiving the new restaurant tables which no longer require table cloths. All Administration staff remain vigilant on spending.

Non-cash and Non-recurring Items

\$292k in other income relates to an accrual of revenue for the FC membership transaction. The club received \$3.5m as a result of the FC merger and in exchange provided lifetime memberships to FC members. In accordance with the matching principle of accounting, a liability is recognised which represents the club's obligation to provide the benefit of lifetime membership over several years, and each year a component of revenue is recognised which reduces the liability balance. Accordingly, both the FC Amalgamation Funds liability and the \$292k in other income are accrual accounting items and do not directly impact the club's cash position.

Capital Expenditures

The majority of the expenditure included:

• Pile replacement	\$28,500
• Boundary Fencing	\$14,000
• Car park Lighting	\$9,650
• CCTV Security	\$10,500
• Alfresco Blinds	\$6,500
• Kitchen Products	\$7,300
• Restaurant Tables	\$8,600
• Fridges	\$5,800
• Work in Progress	\$38,000

The new year's budget allows capital works funds to be set aside to allow the club to remain on track with its marina maintenance scheduled.

Financial Position

The last twelve months have been used to consolidate our funds and commence financial preparation for the upcoming capital works to achieve our future projects in the required time lines. As at 30 June the cash balance was \$1.97m, which represents a strong balance with adequate headroom to facilitate our future maintenance program.

Treasurer's Report
For the Year Ended 30 June 2019

Outlook & Forward Looking Initiatives

To continue to improve the financial contribution of the Bar & Galley, we will endeavour to provide enhanced services in our functions areas and offer our members new exciting products to provide membership value. We expect this should improve margins and financial performance for much needed funding for future maintenance programs.

Treasury & Funding

A budget for the year ending 30 June 2019 is finalised and shows the club to take on a position of consolidation whereby we will stop and take hold of the changes to date, look to build the reserves and then embark in renovations to the downstairs bar and marina maintenance.

Audit and Internal Controls

Specific internal control processes and procedures continued to be implemented during the year and will continue to be monitored. The production of automated management reports through Micropower gives us access to valuable information quicker, to ensure management and the committee have a clear understanding of the club's performance on a timely basis.

The continuation of BDO as the club's auditors resulted in a thorough audit and we again welcome their suggestions and observations to improve our systems and processes. The club thanks BDO for the help and guidance they have provided since their appointment.



James Turnbull
TREASURER

6 August 2019

Auditor's Independence Declaration

For the year ended 30 June 2019



Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY NEIL SMITH TO THE MEMBERS OF SWAN YACHT CLUB INC

As lead auditor of Swan Yacht Club Inc for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Australian professional accounting bodies in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Neil Smith', is written over a small, faint BDO logo.

Neil Smith

Director

BDO Audit (WA) Pty Ltd

Perth, 6 August 2019

Statement of Profit or Loss and Other comprehensive Income
For the year ended 30 June 2019

	Note	2019 A\$	2018 A\$
Income from continuing operations			
Bar		1,733,400	1,879,969
Galley		1,134,973	1,544,823
Marina		912,701	896,157
Membership		818,076	789,543
Functions and Events		760,798	279,907
		<u>5,359,948</u>	<u>5,390,399</u>
Other income			
Interest revenue		25,779	10,730
FC Memberships	19	292,707	252,065
Other revenue		34,813	36,687
		<u>353,299</u>	<u>299,482</u>
Total Income		<u>5,713,247</u>	<u>5,689,881</u>
Expenses			
Cost of sales - Bar	3(a)	1,271,598	1,326,390
Cost of sales - Galley	3(b)	1,321,844	1,747,724
Cost of sales – Functions and Events		81,767	78,451
		<u>2,675,209</u>	<u>3,152,565</u>
Other expenses from normal activities			
Administration	4(a)	1,488,748	1,409,158
Marina	4(b)	302,184	273,498
Depreciation and Amortisation	9	368,225	186,874
		<u>2,159,157</u>	<u>1,869,529</u>
Surplus before income tax		<u>878,881</u>	<u>667,787</u>
Surplus attributable to the Club		<u>878,881</u>	<u>667,787</u>
Total Comprehensive Income attributable to the club		<u>878,881</u>	<u>667,787</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Statement of Financial Position

As at 30 June 2019

	Note	2019 A\$	2018 A\$
ASSETS			
Current assets			
Cash and cash equivalents	5	1,892,754	1,153,539
Trade and other receivables	6	820,788	1,197,461
Inventory & spares	7	42,974	51,725
Total current assets		2,756,516	2,402,724
Non-current assets			
Restricted cash and cash equivalents	8	84,720	73,920
Property, plant and equipment	9	7,298,663	7,518,025
Total non-current assets		7,383,383	7,591,945
Total assets		10,139,899	9,994,669
LIABILITIES			
Current liabilities			
Trade and other payables	10	420,120	834,583
Unearned membership income invoiced in advance	11	1,195,850	1,199,666
Provision for employee entitlements		34,741	40,007
Fremantle Club Amalgamation Funds	12	232,582	238,147
Total current liabilities		1,883,293	2,312,402
Non-current liabilities			
Members deposits		35,400	52,800
Fremantle Club Amalgamation Funds	12	1,702,628	1,989,771
Total non-current liabilities		1,738,028	2,042,571
Total liabilities		3,621,321	4,354,973
Net assets		6,518,578	5,639,697
EQUITY			
Retained earnings		5,639,697	4,971,910
Current year earnings		878,881	667,787
Total equity		6,518,578	5,639,697

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 2019

	Retained Earnings A\$	Total Equity A\$
Balance at 1 July 2017	4,971,910	4,971,910
Surplus for the period	667,787	667,787
Total comprehensive income for the period	667,787	667,787
Balance at 30 June 2018	5,639,697	5,639,697
Surplus for the period	878,881	878,881
Total comprehensive income for the period	878,881	878,881
Balance at 30 June 2019	6,518,578	6,518,578

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 2019

	Notes	2019 A\$	2018 A\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating activities		5,758,969	5,100,061
Payments to suppliers and employees		(4,885,871)	(4,817,100)
Interest received		25,779	10,730
Net cash inflow from operating activities	18	898,877	293,691
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(148,862)	(1,237,648)
Net cash outflow from investing activities		(148,862)	(1,237,648)
CASH FLOWS FROM FINANCING ACTIVITIES			
Transfer from restricted cash		(10,800)	1,200,000
Net cash outflow from financing activities		(10,800)	1,200,000
Net increase/(decrease) in cash and cash equivalents		739,215	256,043
Cash and cash equivalents at beginning of reporting period		1,153,539	1,187,301
Cash and cash equivalents at end of reporting period	5	1,892,754	1,153,539

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

Notes to the Financial Statements**For the Year ended 30 June 2019**

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 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.

The following new standard became applicable for the current reporting period resulting in the adoption of the following standard for the first time:

- AASB 9 *Financial Instruments* ("AASB 9")

AASB 9 Financial Instruments replaces the provisions of AASB 139 Financial Instruments: Recognition and Measurement that relate to the recognition, classification and measurement of financial assets and financial liabilities, de-recognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 Financial Instruments from 1 July 2018 did not give rise to any material transitional adjustments. The new accounting policies (applicable from 1 July 2018) are set out below. In accordance with the transitional provisions in AASB 9(7.2.15) and (7.2.26), comparative figures have not been restated.

Classification and measurement

Except for certain trade receivables the Club initially 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.

Under AASB 9 financial assets are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Club's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

The new classification and measurement of the Club's financial assets are, as follows:

Debt instruments at amortised cost, for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the 'SPPI criterion'. This category includes the Club's trade and other receivables.

On transition to AASB 9 the assessment of the Club's business models was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

Impairment

From 1 July 2018 the entity assesses on a forward looking basis the expected credit losses (ECLs) associated with its debt instruments carried at amortised cost and FVOCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Entity expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

Notes to the Financial Statements

For the Year ended 30 June 2019

1 Summary of significant accounting policies (continued)

For trade receivables, the entity has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Club has established a provision matrix that is based on the Club's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Club considers a financial asset in default when contractual payment are 90 days past due. However, in certain cases, the Club may also consider a financial asset to be in default when internal or external information indicates that the Club is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by 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	<i>Presentation of Financial Statements</i>
AASB 108	<i>Accounting Policies, Changes in Accounting Estimates and Errors</i>
AASB 107	<i>Statement of Cash Flows</i>
AASB 110	<i>Events after the End of the Reporting Period</i>
AASB 116	<i>Property, Plant & Equipment</i>
AASB 9	<i>Financial Instruments</i>
AASB 1048	<i>Interpretation and Application of Standards</i>

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.

Notes to the Financial Statements
For the Year ended 30 June 2019

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 16). 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

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.

Notes to the Financial Statements

For the Year ended 30 June 2019

1 Summary of significant accounting policies (continued)**(h) Property, plant and equipment**

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 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.

Capital work in progress is projects of a capital nature which usually relates to the construction/installation of buildings, plant or equipment. Upon completion (when ready for use) capital work in progress is transferred to the relevant asset category. Capital work in progress is not depreciated.

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:

- 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)).

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.

(i) 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.

Notes to the Financial Statements**For the Year ended 30 June 2019**

1 Summary of significant accounting policies (continued)**(j) 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.

(k) 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) 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.

(p) 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.

(q) New accounting standard and interpretations not yet effective*(i) AASB 1058 Income of Not-for-Profit Entities*

AASB 1058 introduces changes to the income recognition by public and private sector not-for-profit (NFP) entities. Rather than accounting for all contribution transactions under AASB 1004 Contributions, NFPs will now need to determine whether a transaction is a genuine donation (accounted for under AASB 1058) or a contract with a customer (accounted for under AASB 15 Revenue from Contracts with Customers). Implementation guidance has been added to AASB 15 to assist with this determination.

Notes to the Financial Statements**For the Year ended 30 June 2019**

1 Summary of significant accounting policies (continued)

A contract is within the scope of AASB 15 if:

- the entity has an enforceable contract with a customer, and
- the contract includes sufficiently specific promises for the NFP entity to transfer goods or services to the customer or third party beneficiaries.

Under AASB 15 income will only be recognised as the obligations under the contract are satisfied, potentially resulting in a deferral of income as compared to the current accounting under AASB 1004.

AASB 1058 also introduces new requirements for income recognition in several other types of transactions which don't fall within the scope of AASB, including:

- below market leases
- obligations to acquire or construct a specific asset for an entity's own use, and
- other transactions such as volunteer services, donated inventories, endowments and bequests.

If NFPs account for income under AASB 15, the relevant disclosures will also apply. In addition, AASB 1058 includes incremental disclosures for NFPs such as the disaggregation of income.

The mandatory application date of AASB 15 has been deferred to 1 January 2019 for NFP entities. Management is currently assessing the impact of the new rules and at this stage; the Company is not able to estimate the impact of the new rules on the Company's financial statements

(ii) AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term.

The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred.

A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117.

However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Club will adopt this standard from 1 July 2019.

Notes to the Financial Statements**For the Year ended 30 June 2019**

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.

iii. Expected credit losses of financial assets at amortised cost

Loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The club uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the club's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs are disclosed in note 6.

Notes to the Financial Statements
For the Year ended 30 June 2019

3 Cost of sales for the period

	2019	2018
	A\$	A\$
(a) Bar expenses		
Value of inventory used	660,272	687,134
Employee benefits expense	595,251	604,628
Licenses	1,847	1,215
Minor consumables	2,103	5,569
Music & entertainment	-	4,995
Repairs & maintenance	8,599	8,633
Other	3,526	14,216
Total bar expenses	1,271,598	1,326,390
(b) Galley expenses		
Value of inventory used	619,763	803,253
Employee benefits expense	690,243	850,291
Cleaning	-	65,516
Minor consumables	267	16,061
Repairs & maintenance	11,244	7,898
Other	327	4,705
Total galley expenses	1,321,844	1,747,724

Notes to the Financial Statements

For the Year ended 30 June 2019

4 Other expenses from normal activities

	2019	2018
	A\$	A\$
(a) Administration		
Advertising expenses	28,922	41,506
Bank charges	31,667	31,010
Cleaning	153,837	80,677
Committee expenses	9,397	14,360
Communication costs	16,516	18,049
Employee benefits expense	584,885	528,919
Insurance	77,422	74,789
IT expense	9,714	12,700
Legal costs	-	8,419
Members amenities	38,552	17,742
Payroll tax	71,285	77,248
Printing, postage & stationery	44,101	41,471
Rent & Rates	123,191	142,085
Repairs & maintenance	9,040	13,362
Security	2,807	14,428
Staff amenities	35,422	32,474
Staff Training	6,927	8,504
Subscriptions	31,162	57,399
Utilities	105,369	107,222
Other	108,532	86,792
Total corporate and administration expenses	1,488,748	1,409,156

Notes to the Financial Statements
For the Year ended 30 June 2019

	2019	2018
	A\$	A\$
(b) Marina		
Employee benefits expense	150,287	117,890
Repairs & maintenance	105,387	114,993
Riverbed & jetty lease	44,609	38,975
Other	1,901	1,640
Total marina expenses	302,184	273,498

5 Current assets – Cash and cash equivalents

	2019	2018
	A\$	A\$
Cash at bank and in hand	1,878,664	1,140,049
Cash floats, petty cash & ATM	14,090	13,490
	1,892,754	1,153,539

6 Current assets – Trade and other receivables

	2019	2018
	A\$	A\$
Trade receivables ¹	832,394	1,212,820
Less provision for impairment	(17,556)	(17,556)
	814,838	1,195,264
Other receivables	5,950	2,196
	820,788	1,197,460

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

¹Trade receivables as at 30 June 2019 include membership fees for the next financial year, ending 30 June 2020. Management have assessed the expected credit loss for these receivables to be nil when taking into consideration historic and forward looking estimates. A provision has been made for trade receivables aged 3 months and over.

7 Inventories & spares

	2019	2018
	A\$	A\$
Bar	25,999	30,530
Galley	8,800	13,021
Marine spares	8,174	8,174
	42,973	51,725

Notes to the Financial Statements

For the Year ended 30 June 2019

8 Restricted cash and cash equivalents

	2019	2018
	A\$	A\$
Bankwest Bond Held	41,500	32,420
Swan River Trust Bond	43,220	41,500
	84,720	73,920

9 Non-current assets – Property, plant and equipment

	WIP A\$	Office Equipment A\$	Buildings A\$	Bar & Galley A\$	Marina A\$	Total A\$
Year ended 30 June 2018						
Opening book amount	4,627,789	40,395	275,189	140,348	1,383,528	6,467,249
Adjustments/Write	-	-	(17,963)	-	-	(17,963)
Additions	993,211	63,789	-	130,262	68,351	1,255,613
Transfer from WIP to PPE	(5,621,000)	7,320	5,243,731	370,449	-	-
Depreciation charge	-	(37,132)	(20,914)	(40,739)	(88,089)	(186,874)
Closing net book amount	-	74,372	5,479,543	600,320	1,363,790	7,518,025

As at 30 June 2018						
Cost	-	396,852	6,277,928	1,134,522	3,459,424	11,268,726
Accumulated depreciation	-	(322,480)	(798,385)	(534,202)	(2,095,634)	(3,750,701)
Net book amount	-	74,372	5,479,543	600,320	1,363,790	7,518,025

Year ended 30 June 2019						
Opening book amount	-	74,372	5,479,543	600,320	1,363,790	7,518,025
Additions	38,000	48,099	-	24,590	56,139	166,828
Disposals	-	-	(17,965)	-	-	(17,965)
Depreciation charge	-	(51,756)	(138,272)	(98,555)	(79,642)	(368,225)
Closing net book amount	38,000	70,715	5,323,306	526,355	1,340,287	7,298,663

As at 30 June 2019						
Cost	38,000	429,456	6,295,824	1,158,506	3,508,502	11,430,288
Accumulated depreciation	-	(358,741)	(972,518)	(632,151)	(2,168,215)	(4,131,625)
Net book amount	38,000	70,715	5,323,306	526,355	1,340,287	7,298,663

Notes to the Financial Statements

For the Year ended 30 June 2019

10 Current liabilities – Trade and other payables

	2019	2018
	A\$	A\$
Trade payables	179,205	148,542
Accrued expenses	44,807	39,349
Function/Event Deposits	16,562	440,333
Goods & services tax payable	179,546	206,359
	420,120	834,583

11 Current liabilities – Unearned membership income invoiced in advance

	2019	2018
	A\$	A\$
Security fees	18,293	28,653
Ramp fees	19,276	17,282
Pen fees	602,693	633,212
Subs fees	541,671	516,306
Rate recovery fees	13,917	4,213
	1,195,850	1,199,666

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

12 Fremantle Club Amalgamation

	2019	2018
	A\$	A\$
FC Lifetime Memberships Deferred revenue:		
Current Liability	232,582	238,147
Non-Current Liability	1,702,628	1,989,771
	1,935,210	2,227,918

During FY15 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 2019 the club has recognised a total liability of \$1,935,210 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.

Notes to the Financial Statements
For the Year ended 30 June 2019

13 Accumulated Funds

	2019	2018
	A\$	A\$
Accumulated members' funds at the beginning of the of the financial year	5,639,697	4,971,910
Surplus/ (Loss) attributable to the club	<u>878,881</u>	<u>667,787</u>
Accumulated members' funds at the end of the financial year	<u>6,518,578</u>	<u>5,639,697</u>

14 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:

	2019	2018
	A\$	A\$
(a) Audit and other assurance services		
BDO Audit (WA) Pty Ltd		
Audit of financial statements	<u>18,000</u>	<u>18,000</u>
Total remuneration for audit and other assurance services	<u>18,000</u>	<u>18,000</u>
(b) Non audit and other assurance services		
Professional Services	<u>1,000</u>	<u>-</u>
Total remuneration for non-audit and other assurance services	<u>1,000</u>	<u>-</u>

15 Contingent liabilities

Other than bank guarantee in place at 30 June 2019 totalling \$84,720 relating to lease, the club had no contingent liabilities as at 30 June 2019.

16 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 as follows:

	2019	2018
	A\$	A\$
Within one year	93,070	92,312
Later than one year but not later than five years	<u>372,281</u>	<u>369,248</u>
	<u>465,351</u>	<u>460,560</u>

Notes to the Financial Statements

For the Year ended 30 June 2019

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 three vehicles from Maddington Toyota as part of a major sponsorship proposal where the Club will in turn provide Melville Holden and Melville Suzuki with various advertising, brand exposure, and social benefits.

The Club holds two Bank Guarantee liabilities that will need to be paid. Bankwest Bank Guarantee of \$43,220 will expire on the 03/10/2019 and a St Georges Bank Guarantee of \$41,500 that expires on the 20/12/2019.

17 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.

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

	2019	2018
	A\$	A\$
Gain/(Loss) for the period	878,881	667,787
Amortisation and depreciation	368,225	186,874
Decrease/(increase) in trade and other receivables	371,108	(349,441)
Decrease/(increase) in inventory	8,751	(8,561)
Decrease/(increase) in prepayments	-	-
Increase/(decrease) in member deposits	(17,400)	(9,800)
Increase/(decrease) in income in advance	(3,816)	40,686
Increase/(decrease) in trade and other payables	(414,462)	15,091
Increase/(decrease) in employee provisions	(5,268)	3,030
Increase/(decrease) in FC funds	(287,142)	(251,975)
Net cash inflow used in operating activities	898,877	293,692

19 Individually significant items

		2019	2018
		A\$	A\$
Revenue			
FC Memberships	(i)	292,707	252,065

- (i) FC Membership income relates to the deferred revenue liability of \$3,502,272 received in FY15 as contribution for the Lifetime Memberships given to the Fremantle Club members upon amalgamation with SYC. The revenue recognised at 30 June 2019 of \$292,707 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.

Management Committee's Declaration

For the Year Ended 30 June 2019

MANAGING COMMITTEE'S DECLARATION

The Managing Committee of the Club declare that:

1. The Club is not a reporting entity because there is no user's dependant on general purpose financial statements. Accordingly, as described in note 1 to the financial statements.
2. The attached financial statements and notes thereto comply with the Accounting Standards as described in note 1 to the financial statements, and other mandatory professional reporting requirements.
3. The attached financial statements and notes thereto give a true and fair view of the Club's financial position as at 30 June 2019 and its performance for the financial period ended on that date.
4. In the Managing Committees' opinion, there are reasonable grounds to believe that the Club 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 Managing Committee and is signed for and on behalf of the Managing Committee members by:



Mr Paul Nicholls
COMMODORE

6th August 2019

**Independent Auditor's Audit Report to The Members
For the Year Ended 30 June 2019**



Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Swan Yacht Club Inc.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Swan Yacht Club Inc. (the Entity), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the Committee's assertion statement.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Entity as at 30 June 2019 and of its financial performance and its cash flows for the year then ended in accordance with the basis of accounting described in Note 1.

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 Entity in accordance with 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.

Emphasis of matter - Basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Entity to meet the requirements of the constitution. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Committee for the Financial Report

The Committee is responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the constitution and for such internal control as the Committee determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Committee either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Audit Report to The Members
For the Year Ended 30 June 2019



The Committee are responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Neil Smith', written over a small, faint BDO logo.

Neil Smith
Director

Perth, 6 August 2019