



SWAN YACHT CLUB

SPECIAL PURPOSE FINANCIAL REPORT

30 JUNE 2021 FULL YEAR

Special Purpose Financial Report

30 JUNE 2021 FULL YEAR

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CLUB DIRECTORY

Management Committee

| | |
|----------------|--------------------------------|
| Mr Ian Harwood | Commodore |
| Mr S Browne | Vice Commodore |
| Mr D Nankivell | Rear Commodore |
| Mr B Piggott | Rear Commodore Power & Angling |
| Mr J Turnbull | Treasurer |
| Mr G Dart | |
| Mr K Sorrell | |
| Mr M West | |
| Mr T Gray | |
| Mr M Mackowiak | |

Executive Positions

| | |
|-------------|-----------------|
| Mr D Gaspar | General Manager |
|-------------|-----------------|

Administration Office

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

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 2021

GENERAL MANAGER REPORT

On behalf of the Commodore Ian Harwood, the Management Committee and all the team members I have great pleasure in presenting the Annual Report for 117th Club year ending 30 June 2021.

Whilst the Club still operated under the COVID -19 restrictions, we were quick to react with the experience of the previous season responding to the three snap lockdowns and ongoing restricted numbers of patrons permitted.

I take this opportunity to thank our staff and our volunteers who support management every day. The resilience they displayed was exemplary and something we are all extremely proud of.

Highlights of 2020/2021

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

Our membership activity for the year peaked at a record high of 3061.

Membership growth in such uncertain times is very encouraging and is essential for the long-term sustainability of any Club and I thank those members who rallied their family and friends to get on board and join our vibrant club community.

The Swan Yacht Club again hosted some major or new events that again demonstrated our versatility.

Returning to the club calendar, The Garden Party cultural event. Hosted on New Year's Day. The event was a welcome addition attracting a restricted number of patrons. The festivities included a local line up of DJ's and demonstrated the Club's ability to manage large community attractions in accordance with the Government guidelines.

November's Melbourne Cup continued to attract an incredible number of members and their guests with over 700 punters keen to indulge on what is a fun filled day bringing life to the river.

The Club promised in 2020/2021 to extend the Full Member's offering. Theme Nights were well received managed in company with Open Mic Night in the newly appointed, Boaties Bar.

The Club delivered on budget capital improvements including the Main Bar replacement which was formally re-opened the first half of the year in front of a healthy crowd of members and guests. This was an outstanding achievement managed whilst the club was in lock down.

Off the back of healthy bar patronage, the Club has been for the past 12 -18 months renegotiating its main beverage deal with suppliers with the outcome being a commitment to Lion Co. as our main beverage supplier for the next 4 years. Lion Co. is one of the leading beverage companies in Australia with a portfolio incorporating many of our region's favourite brands.

Jetty lighting upgrades were carried out in stages throughout the year and late last season. The improvement is evident with the upgrade providing consistent lighting and improving safety and security.

Jetty 1 pen re-alignments along with the extensive marina pile replacement were carried out in the first half of the year whilst the pile replacement works remain ongoing.

General Manager Report
For the year ended 30 June 2021

In July, the Club was setting itself for the Clubs WA, Club of the Year gala event. Clubs WA, being the governing body across our state and overseeing over 800 clubs. Unfortunately, COVID-19 again interrupted proceedings with the event rescheduled to September 2021. The club has been recognised as finalist for the following categories.

1. Club of the Year (Large).
2. Best Club Event: Odyssey Expeditions weekend
3. Club Development: Bar and River Deck development
4. Marketing: Ryan Khong
5. Best Club Industry Supplier- Maddington Toyota & Canning Vale Toyota
6. Long-Term Service Award: Natalie Jones.

You will read in the Treasurer's report the record-breaking financial result for the Club at a time where the hospitality Club industry is reported decline.

In summary, 2020/2021 year was one to be proud of exceeding expectations. It was a year where we did not just *survive* the COVID-19 scourge but a year that we *thrived*.

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

Key capital expenditure initiatives were started and/or completed during the financial year they include:

- Pile replacements – 17 replaced by EOFY
- Jetty 1 pen re-alignment- Completed February 2021
- Full members automated gate to overflow car park – Completed February 2021
- Car Park re-surfacing- February 2021
- Main Bar redevelopment – Completed October 2020
- Jetty lighting replacement - Completed May 2021
- Alfresco heating install – Completed May 2021
- Historical cabinet install foyer and wet bar – March 2021
- Jetty 5 redevelopment planning – October 2020

Attracting, Engaging People and the way forward

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 **8.10** 2019/2020 to **8.6** 2020/2021.

The positive response from the social members grew from **8.27** in 2019/2020 to **8.4** in 2020/2021.

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.

General Manager Report

For the year ended 30 June 2021

As you will read from the Commodores Report, innovations that are currently being rolled out to enhance our members experience include the QR coded table ordering system, members card upgrades and the members portal

Our website has also been updated to match our club vibe. The website will allow all categories of membership to login to the system where they can view their account and make payments.

Financial sustainability

The key capital works for the season was the Main Bar Redevelopment. The club is confident that this investment will provide members with an improved experience and generate increased sales leading to increased reserves for further capital improvements related to the marina.

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.

The Jetty 5 redevelopment will be taking shape and is set to dominate our capital improvements for the coming season.

Safety and Environmental Initiatives

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

- Jetty lighting upgrade
- IT Systems upgrade now cloud based
- CCTV upgrade

Mooring Committee

The Mooring Committee has been active over the past 12 months. The Mooring Committee includes the following members: Dennis Nankivell, Ian Harwood, Kim Sorrell, Greg Roach, Graham Dart, Garth Sorrell, and Kevin Bielby. Steven Browne departing the Mooring Committee to concentrate on House mid-way through the season.

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. Pen Compliance and Pen Licence Agreements are annually audited 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.

General Manager Report
For the year ended 30 June 2021

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 1 re-alignment

Jetty 1 was one of the key improvements designed at providing the Club and its members with an improved amenity.

Jetty 5 redevelopment

With the engineering phase underway. The Mooring Committee will be working towards design of Jetty 5 throughout the season. This major capital investment is set to dominate the season.

House Committee

The 2020/2021 year saw the club host a few major new function and events that again demonstrated the versatility of the Swan. The House Committee were led by Vice Commodore Steve Browne in company with Brian Piggott, Tim Grey, Di Schoch, Mark Maczkowiak, Paul Nicholls, and Mark West.

Functions and Events

Among them were our New Year's Eve event, Habitat, Australia Day, Day with our Sports Stars, Melbourne Cup, Open Day, Main Bar Re-Opening, Raft Ups, Sailing with Zatarra and Christmas Day luncheon.

Our ladies social group efforts in assisting Commodore Ian Harwood with the Commodores Ball were well received by those attendees and we look forward to the upcoming Commodores Cocktail Party set for October which promises to be another outstanding event.

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 local DJ's.

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

Full members benefited even further with the introduction of the No Room Hire Policy with their function's beverage price list discounted to match the existing full member everyday food and beverage price list which comes with a 10% discount

Community partners and suppliers

To Paul Davies, Graham Mitchell, and the team at Maddington Toyota & Canning Vale Toyota your promotional role in making the partnership so effective is much appreciated. The crew at Maddington Toyota and Canning Vale Toyota do an incredible job supporting each one of our club initiatives ranging from Day with our Sports Stars to Sailing with Zatarra.

General Manager Report
For the year ended 30 June 2021

Corporate Challenge sponsorship continued to promote members and supplier's businesses with a record number of businesses supporting the initiative.

Caporn and Young Estate Agents, Nikki Gogan, the winning team taking home an advertising package valued at \$25,000. Thank you to all who participated.

They include-

Attadale Travel & Cruise
AVZ Marine Technologies Marine Consultant and Maintenance
Bayforce Solutions
Bluewater Marine Maintenance Diesel Specialists
Broadway Marine Construction
Brown Brothers Furniture
Caporn Young
Character Living Building Co.
CVAC Air Conditioning Services
DMI Signs
East Fremantle Pool Supplies
Engineering Supplies
Eye Splice Marine Services
Fairway Panel & Paint
Fleximarine Eco Boating Solutions
Fresh Provisions
Global Civil and Mining
Indianic Group Pty Ltd
Independent Piling Services Pty Ltd
Jurovich Surveying
Lion Co.
Maddington Toyota & Canning Vale Toyota
Mansfield Marine Brokers
MarineWorkx
McFarland Plumbing
Oilfield Piping Systems
Paul Nichols Boat Sales
Perna Group
Pleisure Marine Diesel Specialists
Prestige Marine & General Engineering
Riley's Electrical Services
Specialized Tilt Tray Towing Services
Sweeny Marine Service
Soltoggio Bros.
Statesman Financial Solutions
TransConsult WA
Trident Insurance Group
Word of Mouth
Worldwide Marine Spares
Wright Marine Management
Yard

General Manager Report

For the year ended 30 June 2021

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

Our Club Affiliates include:

Stand Up Paddle WA
Fremantle Swan Dragon Boat Club
Fremantle Rowing Club

Fremantle Outriggers Canoe Club
Training Ship Perth – Navy Cadets

We congratulate the Fremantle Rowing Club's Annabelle McIntyre in company with her Australian team members Lucy Stephan, Rosemary Popa and Jessica Morrison who won Olympic gold by setting a new Olympic record in the women's four. Outstanding effort off the back of endless years of sacrifice; training and competing.

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

Well done to Angling Captain, James Aps, and his team, on a successful Angling season which culminated in an outstanding Intra Club tournament. James and his team have done an incredible job managing the season throughout lock downs, poor weather forecasts and a host of other interruptions including a lack of fish.

Our Social Events Group led by Di Schoch were responsible for a chain of successful events including the Commodores Ball, Ladies Luncheon, and themed sundowners.

The big improver for the season was members activities in the newly named Boaties Bar which offering like-minded members the opportunity to mingle well into the night.

Don and Marian Byfield again managed the highly attended Cancer Council, Biggest Morning Tea raising more than \$11,000 for cancer research. An outstanding result.

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 review of the Five-Year Plan 2022 will shortly commence

The Five-Year Plan will 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.

The Clubs Life Member Bereavement and Nomination for Life Membership Policies were introduced during the financial year.

Summary

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

General Manager Report
For the year ended 30 June 2021

In support, well done to our frontline staff who have managed another full season of activities and related challenges. You are essentially the eyes and ears of the Club as we continually look to improve on our service to members. I thank you for your efforts throughout the year.

To the bosun team led by Greg, Trevor and the boys thank you for your commitment including the early starts attending to maintenance and assisting with anything and everything we have thrown at you over the year.

To the administration team Dave, Annelies, Ryan, Natalie, and Cindy thank you for your commitment to the club's mission. All the planning and support behind the scenes is very much appreciated.

In closing, I thank Commodore Ian Harwood for his support and guidance throughout the season.

The Management Committee and Sub Committees over the past 12 months have shared in many challenges during the ongoing COVID-19 threat. The team successes have been a just reward for everyone's hard work, resilience, and commitment.

I look forward to working with the team for another year as the Club continues '**Bringing life to the river**'!

Damien Gaspar



General Manager
13 August 2021

Commodore's Report
For the year ended 30 June 2021

COMMODORE'S REPORT

As many of you know it has been a year, not without its trials and tribulations, and a year unlike any other year at the club. But for the Annual report I want to reflect on some of those challenges and successes over the past year. Then beyond that what we have coming up in the near future.

The 2020 Club year started in the middle of the COVID-19 pandemic which saw the club shut down for a period and not able to have staff or members at the club. With every cloud there is a silver lining, and we took the opportunity of being shut down to commence the bar renovation project which we had in the plans for a period before that. We opened the new bar in late 2020, just in time for the boating season. We are proud of the new bar and the amenity it has provided for members and we have received a great amount of positive feedback on the new space.

As part of the bar project, we commissioned new memorabilia cabinets in the reception area and in the member's bar. We have tasked the Life Members with populating these cabinets with whatever memorabilia of our club that we have in the archives and that Members wish to donate or loan back to us. If you have any memorabilia or photos that would be suitable to go in the cabinets, please contact me through the office and we will pass to the life member group who will assess and display the suitable items.

On the very week that we planned to reopen the new bar our computer systems in the office were subject to a cyber-attack. The Cyber attackers attempted to ransom the club in return for releasing our information back to us. This also happened a subsequent time as we were trying to rebuild our systems. One of the drivers being to make our systems more resilient, but we hadn't completed the work when it occurred a second time. It took us approximately 4 months to recover from these issues, but we are assured by our IT experts that your information was not taken from our servers. The attackers simply locked us out of our own systems and prevented us accessing any of it. We had to rebuild everything from backups and manual records. We now have a more resilient cloud-based system. Whilst I don't believe any system is fool proof, it is certainly a stronger and more robust system than we had previously.

Also, in respect of the bar, we completed our existing contract for beer and drinks supply with Carlton United Brewery and have since re-tendered the service contract. In doing so Lion (formerly Lion Nathan) were the successful tenderer and you will note that some of the drinks will be changing over to Lion offerings. However, we do intend keeping our strong seller and member favourite, Great Northern. You will see a refresh of the taps occurring in the next few weeks as we reduce our existing stock.

In early 2021 we commenced realigning the piles on Jetty 1 which have improved the pens and created slightly more space for those on that jetty.

For quite a while now, we have planned to replace Jetty 5, as the ageing infrastructure is beyond its serviceable life. This is a legacy of a time where the club didn't have the money to put into maintenance and upgrading the services our club has. We are in a fortunate position where over the past 10 years the Management Committee and Staff have worked hard to ensure that the club is positioned well to appropriately maintain our facilities and we are accruing money to be able to replace Jetty 5. This work should commence in the next 12 months. The Engineering phase of this work has already begun.

Commodore's Report
For the year ended 30 June 2021

Our slipway has experienced some issues in the past 3-4 months. We have engaged an engineer to properly assess all of the works required to see a reliable service moving forward. But we have also pressed the button on emergency repair works to enable the slipway to be fully operational before the summer season. The staff in the office are working to obtain the appropriate trades for this emergency work now.

We have installed a new lockable box at the trailer boat washdown area which is accessible using your blue key. This is to prevent the sort of vandalism and loss that we have experienced regularly with the washdown hose and nozzles. I urge members to look after this facility and notify the office if the nozzle is missing or the hose is damaged.

During 2020 we replaced the old gates to the grassed overflow area at the western side of the club, with a new electric sliding gate that can be opened using your key fob. We have further plans to improve the lighting, security and provide fencing to this area in order to provide a secure place for members to leave their cars if they are planning on going out on their boats over a weekend. Notably this is a member's space and available for full members to use at any time.

We have been working in the background to upgrade our member cards and the member portal. The upgrades will be online shortly. The upgrades include – 1) Additional security for members by having their photo on the system that staff can see to identify the member using the card when you purchase drinks. 2) A member's portal where you log in, on your phone or device and you can either top up your account, see your account dues, make a payment, or simply check on your account. 3) New Point of Sale outlets at the bar so that there is less contact of touch on your card for your benefit and the protection of our staff. You will be able to swipe your own card with the new system. 4) Table ordering system – this is an exciting new offering that has taken quite a while to work through. But I am happy to announce that the system is very nearly ready to mobilise. I have tested some of the system myself and find it straight forward. It also differentiates between member and non-member pricing.

We have commissioned a new board room table to be made from the original board room table that we had before the club renovations. The original table has been kept at Brown Brothers Furniture and they are using the timber to build a new fresh table of a size and shape that is more fitting for our new boardroom. This should be finished soon.

We have reinstated our Foxtel subscription. As some of you may know we dropped it several years ago when the pricing became prohibitive. However, we have renegotiated with them a new contract with a preferable rate that we are happy with.

We were unfortunate this year to again not be able to provide our usual Anzac Day services at the club due to COVID-19 lockdown. This also plays true for several of our other events around the club which were either cancelled or postponed due to COVID-19. Hopefully next year will see this risk of loss decrease as COVID-19 vaccination rates increase.

Lastly, we have reviewed the way we run our Open Day / Opening Day event in recent years, and we have taken Full Member feedback on this subject. We have decided to split the event to have a Full Member orientated Opening Day which is geared more toward the full membership. There will likely be incentives and more prizes on offer for those who participate in the Sail Past. The second event will be a more general public orientated event to attract new members and showcase our club. Watch this space and please plan to be an active participant in the Sail Past, it is always great to see a good number of boats on the water.

Commodore's Report
For the year ended 30 June 2021

As you can see, a huge flurry of activity this year and a lot planned for the next 12 months also. I wish to thank the overwhelming support that the Management Committee and I have received from you, the members. It is always good to know that we are serving the members needs appropriately.

Regards



Ian Harwood

COMMODORE

13 August 2021

Treasurer's Report
For the year ended 30 June 2021

TREASURER'S REPORT

Financial Performance

The 2021 financial year got off to an uncertain start as our state was cautiously emerging out of lockdown. The Management Committee and Finance Team developed cash flow and budget models with best estimates as to how the year would develop. The approach taken was characterised by tighter cost controls and a change in some procedures to allow the club to incur minimum costs if and when snap lockdowns occurred. July 2020 saw the return of members to the club, albeit slowly due to the unknown nature of COVID-19 and with the strict Government guidelines and reduced attendance number requirements. In time, as the warmer weather returned and the COVID-19 restrictions lifted, the club is proud to report the biggest surplus, in its history, of \$1.12m. The club continued to experience record membership numbers, growing numbers of functions and events and most club events were sold out. The total reported surplus for the year to 30 June 2021 was \$437k greater than at the same time last year in 2020.

Marina and membership income were higher than anticipated, reflecting a return in demand for pens and the club's increased membership base. Bar and galley sales produced stronger than expected results as members accepted the new COVID restrictions and accommodated the changes of service the club was required to abide by. Functions and events income increased in sales by 33% and strong interest continues. Administrative costs were tightly managed throughout the year, assisted by various government support measures, and as a result the overall costs were well below budget.

During the restricted service capacities in the early part of the financial year, the club moved forward with the main bar renovations, this being the club's biggest capital works expenditure for the year. The club is proud to advise this renovation was paid without engaging any debt facility and during this time we were also able to secure the new beverage contract allowing the club to receive rebates not previously seen before, securing our pricing structure for the years to come ensuring value for members. The focus of this coming year continues to be one of caution whilst also proceeding with the redevelopment of Jetty 5.

Marina & Memberships

Marina income exceeded expectation this year with larger than anticipated pen ingoings. Membership reached 3,061 during the height of summer resulting in membership income to be 13% higher than the previous year. However, the uncertainty of COVID has seen the year end membership drop to 2,714 but these numbers are expected to raise again once the better weather returns.

In 2021, Marina income was slightly up on the previous year, consistent with the fee structure remaining the same as the 2020 year. The slight increase was driven by higher ingoing fees with an increase of 30% from the previous year. Marina repairs and maintenance expenses totalled \$95k to ensure the upkeep of the jetties for members.

Fees for full members were not increased for the coming financial year, however social member fees were increased slightly including nomination fees which increased to \$125.

Bar/Galley/Functions

The bar experienced solid sales of \$1.7m. Members and their guests were slow to return after the COVID restrictions which resulted in reduced sales, with the club reducing expenses commensurately. Interest in function room facilities remained positive and continues to be a strong revenue stream for the club.

Treasurer's Report
For the year ended 30 June 2021

The largest capital expenditure project of 2021 was the demolition and complete rebuild of the main bar. The bar was well received and provides for greater service options to all members. A part of the ongoing recognition of full members amenity in a busier club, the wet bar was renamed to the "Boaties Bar" for full members and their guests only at advertised times during Friday nights and weekends.

COVID restrictions saw the restaurant areas facing capacity attendance for most of the summer period. Galley sales saw strong growth of 17% and kept expenses to a minimum to ensure that any "snap lockdown" would result in minimum wastage.

This summer was like no other faced by the Swan Yacht Club. Member's were keen to make the most of the facilities however the tight attendance restrictions saw the club full to capacity on most days. The club continued to promote and manage numerous recurring events and some new theme nights and all were well received and 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 \$50k below budget after incurring unforeseen expenses due to the snap lockdowns.

The main areas of increase in administration expenses were in the information technology support and audit fees. The club made a conscious decision to minimise its spending in many areas due to the uncertainty of COVID and snap lockdowns.

The club was in the fortunate position to meet the criteria to receive Jobkeeper from July through until December and made use of it. Strong sales in the October to December period meant the club was unable to received Jobkeeper from January onwards. Jobkeeper allowed the club to provide continuous pays to all eligible casual staff and all full time staff.

Non-cash and Non-recurring Items

\$236k 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 \$236k in other income are accrual accounting items and do not directly impact the club's cash position.

The club also received a Federal Government Cashflow Boost of \$100k which was applied as an offset against the club's GST account reducing our GST deb required to be paid.

Capital Expenditures

The club has invested \$441,369 in capital expenditure during the year. The largest items included:

- Main bar renovation \$366,031
- Point of Sale computers \$17,575
- Jetty lights \$17,486
- Security cameras \$15,000

Treasurer's Report
For the year ended 30 June 2021

| | |
|--------------------------|---------|
| • Security system | \$9,587 |
| • Alfresco heaters | \$9,190 |
| • Administration laptops | \$6,500 |

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 plan.

Financial Position

The last twelve months have had a cautious approach applied and the club will continue to be mindful of the possibility of sudden lockdowns. During this time the club has continued to meet its budget for the marina jetty upgrade and prepare to be in a strong financial position for the upcoming capital works. As at 30 June the cash balance was \$2.92m, an increase of \$956k from the previous year, which represents a strong balance with adequate headroom to facilitate our future maintenance program.

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 2022 is finalised and reflects a period of both consolidation to remain vigilant for the fast changing environment that is caused by COVID-19 whilst also continuing with the early planning and evaluations regarding the renovation of Jetty Five. Jetty Five renovation has been projected in the long term maintenance program for some time and preliminary works commenced during the 2021 financial year and will be fully funded by the Club's cash balance.

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

13 August 2021

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 2021, 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.



Neil Smith

Partner

BDO Audit (WA) Pty Ltd

Perth, 13 August 2021

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2021

| | Note | 2021 A\$ | RESTATED 2020 A\$ |
|--|------|-------------|-------------------------|
| Income from continuing operations | | | |
| Bar | | 1,588,742 | 1,351,061 |
| Galley | | 964,264 | 848,606 |
| Marina | | 865,786 | 811,002 |
| Membership | | 801,791 | 687,674 |
| Functions and events | | 750,656 | 686,400 |
| | | 4,971,239 | 4,384,743 |
| Other income | | | |
| Interest revenue | | 11,137 | 24,787 |
| FC memberships | | 236,485 | 357,848 |
| Other revenue and COVID-19 grants | | 145,532 | 4,508 |
| | | 393,154 | 387,143 |
| Total income | | 5,364,393 | 4,771,886 |
| Expenses | | | |
| Cost of sales - bar | 3(a) | 1,022,857 | 1,005,645 |
| Cost of sales - galley | 3(b) | 1,110,313 | 1,020,539 |
| Cost of sales - functions and events | | 83,841 | 78,475 |
| | | 2,217,011 | 2,104,659 |
| Other expenses from normal activities | | | |
| Administration | 4(a) | 1,300,648 | 1,225,211 |
| Marina | 4(b) | 188,910 | 269,014 |
| Interest expense | 4(c) | 52,424 | 51,800 |
| Depreciation and amortisation | 4(d) | 478,680 | 441,481 |
| | | 2,020,662 | 1,987,506 |
| Total expenses | | 4,237,673 | 4,092,165 |
| Surplus attributable to the Club | | 1,126,720 | 679,721 |
| Total comprehensive income attributable to the Club | | 1,126,720 | 679,721 |

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 2021

| | Note | 2021 A\$ | RESTATED 2020 A\$ |
|--|------|-------------------|-------------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 5 | 2,989,096 | 2,036,415 |
| Trade and other receivables | 6 | 783,302 | 832,972 |
| Inventory and spares | 7 | 23,999 | 31,578 |
| Total current assets | | 3,796,397 | 2,900,965 |
| Non-current assets | | | |
| Restricted cash and cash equivalents | 8 | 84,720 | 84,720 |
| Property, plant and equipment | 9 | 7,725,384 | 7,564,408 |
| Right of use assets | 10 | 849,560 | 853,978 |
| Total non-current assets | | 8,659,664 | 8,503,106 |
| Total assets | | 12,456,061 | 11,404,071 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 11 | 542,242 | 437,454 |
| Unearned membership income invoiced in advance | 12 | 1,198,602 | 1,205,321 |
| Nomination fees in advance | 13 | 211,846 | 206,471 |
| Provision for employee entitlements | | 72,374 | 50,135 |
| Fremantle Club amalgamation funds | 14 | 242,597 | 222,567 |
| Lease liabilities | 15 | 50,679 | 180,092 |
| Total current liabilities | | 2,318,340 | 2,302,040 |
| Non-current liabilities | | | |
| Members deposits | | 48,900 | 32,600 |
| Nomination fees in advance | 13 | 835,701 | 804,633 |
| Fremantle Club amalgamation funds | 14 | 1,098,281 | 1,354,796 |
| Lease liabilities | 15 | 812,558 | 694,441 |
| Total non-current liabilities | | 2,795,440 | 2,886,470 |
| Total liabilities | | 5,113,780 | 5,188,510 |
| Net assets | | 7,342,281 | 6,215,561 |
| EQUITY | | | |
| Retained earnings | | 6,215,561 | 6,518,578 |
| Adjustment to retained earnings on adoption of AASB 15 | | - | (982,738) |
| Current year surplus | | 1,126,720 | 679,721 |
| Total equity | | 7,342,281 | 6,215,561 |

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 2021

| | Retained Earnings A\$ | Total Equity A\$ |
|---|--------------------------|---------------------|
| Balance at 1 July 2019 | 6,518,578 | 6,518,578 |
| Surplus for the year | 679,721 | 679,721 |
| Adjustment for application of AASB 15 | (982,738) | (982,738) |
| Total comprehensive income for the year | 6,215,561 | 6,215,561 |
| Balance at 30 June 2020 | 6,215,561 | 6,215,561 |
| Surplus for the year | 1,126,720 | 1,126,720 |
| Total comprehensive income for the year | 7,342,281 | 7,342,281 |
| Balance at 30 June 2021 | 7,342,281 | 7,342,281 |

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 2021

| | Note | 2021 A\$ | 2020 A\$ |
|---|-----------|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from operating activities | | 5,154,477 | 4,423,501 |
| Payments to suppliers and employees | | (3,474,167) | (3,528,155) |
| Interest received | | 11,137 | 24,787 |
| Net cash inflow from operating activities | 20 | 1,691,447 | 920,133 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for property, plant and equipment | | (635,237) | (684,647) |
| Net cash outflow from investing activities | | (635,237) | (684,647) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Lease payments | | (103,529) | (91,825) |
| Net cash outflow from financing activities | | (103,529) | (91,825) |
| Net increase/(decrease) in cash and cash equivalents | | 952,681 | 143,661 |
| Cash and cash equivalents at beginning of reporting period | | 2,036,415 | 1,892,754 |
| Cash and cash equivalents at end of reporting period | 5 | 2,989,096 | 2,036,415 |

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 2021**

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 Inc.

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

There were no new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that were applicable for the current reporting period.

(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 and the Constitution. 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 Club's Constitution 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> |

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.

Notes to the Financial Statements

For the Year ended 30 June 2021

1 Summary of significant accounting policies (continued)**(c) Prior Period Error**

The financial report for the year ended 30 June 2020 had a reported understatement of the deferred nomination fee liability by \$798,441 as a result a calculation error within the workings used in the *AASB 15 Revenue from Contracts with Customers* which was adopted during the prior year. This prior period error has been corrected by retrospective restatement of the following items reported in the 30 June 2020 financial report:

| Statement of financial position | 30 June 2020 | | |
|---|-----------------------|-------------------------------|-----------------------|
| | Previous amount \$ | Increase/ (Decrease) \$ | Restated amount \$ |
| Nomination Fees in Advance – Current Liability | 43,684 | 162,787 | 206,471 |
| Nomination Fees in Advance – Non-Current Liability | 168,980 | 635,653 | 804,633 |
| Total Liabilities | 4,390,070 | 798,440 | 5,188,510 |
| Net Assets | 7,014,001 | (798,440) | 6,215,561 |
| Retained Earnings – Adjustment on adoption of AASB 15 | (195,071) | (787,667) | (982,738) |
| Retained Earnings – Current Year Earnings | 690,494 | (10,773) | 679,721 |

| Statement of profit or loss and other comprehensive income | 30 June 2020 | | |
|---|-----------------------|-------------------------------|-----------------------|
| | Previous amount \$ | Increase/ (Decrease) \$ | Restated amount \$ |
| Revenue - Marina | 821,775 | (10,773) | 811,002 |
| Total Income | 4,782,559 | (10,773) | 4,771,886 |
| Total comprehensive income attributable to the club | 690,494 | (10,773) | 679,721 |

(d) Revenue recognition

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

Nomination fee income is recognised over the estimated membership life of a new member being the period during which the club member is expected to benefit from the payment of the fee. The estimated membership life has been determined as a period of 10 years for full memberships and 5 years for social memberships. This is a significant judgement and has been based on the average life of the two membership types.

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

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

(e) Income in advance

The Club recognises fees and charges to its members on an accruals basis and where these invoices are for the delivery of future goods and services, the amounts are deferred onto the balance sheet and amortised over the period the goods and services are provided.

Notes to the Financial Statements
For the Year ended 30 June 2021

1 Summary of significant accounting policies (continued)
(f) Income tax

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

(g) Leases

The leases recognised by the club under AASB 16 relate to the right to use land (Clubrooms and surrounding areas), photocopier and riverbed lease (jetty structures and mooring license).

When a contract is entered into, the club assesses whether the contract contains a lease. A lease arises when the club has the right to direct the use of an identified asset which is not substitutable and to obtain substantially all economic benefits from the use of the asset throughout the period of use.

The club separates the lease and non-lease components of the contract and accounts for these separately. The club allocates the consideration in the contract to each component on the basis of their relative stand-alone prices.

Leases as a lessee

Lease assets and lease liabilities are recognised at the lease commencement date, which is when the assets are available for use. The assets are initially measured at cost, which is the present value of future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations and initial direct costs incurred.

Lease assets are depreciated using the straight-line method over the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and impairment losses, assessed in accordance with the Entity's impairment policies.

Lease liabilities are initially measured at the present value of future minimum lease payments, discounted using the Entity's incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate. Minimum lease payments are fixed payments.

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the lease assets, with any excess recognised in the consolidated profit or loss and other comprehensive income statement.

Short-term leases and lease of low value assets

Short-term leases (lease term of 12 months or less) and leases of low value assets are recognised as incurred as an expense in the consolidated profit or loss and other comprehensive income statement. Low value assets comprise plant and equipment.

(h) 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 are reviewed for possible reversal of the impairment at the end of each reporting period.

Notes to the Financial Statements
For the Year ended 30 June 2021

1 Summary of significant accounting policies (continued)
(i) 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.

(j) 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.

(h) Property, plant and equipment (continued)

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 statement of profit or loss during the reporting period in which they are incurred.

Increases in the carrying amounts arising on revaluation of buildings are credited, 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, 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.

Notes to the Financial Statements
For the Year ended 30 June 2021

1 Summary of significant accounting policies (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.

(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.

(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.

Notes to the Financial Statements
For the Year ended 30 June 2021

1 Summary of significant accounting policies (continued)**(p) Government grants**

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. This includes Job Keeper income received due to COVID-19 during the year which has been net off with the associated salaries this year.

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(f). 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

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.

iv. Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

v. Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Club based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain and staffing. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Club unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Notes to the Financial Statements

For the Year ended 30 June 2021

3 Cost of sales for the period

| | 2021 A\$ | 2020 A\$ |
|------------------------------|------------------|------------------|
| (a) Bar expenses | | |
| Value of inventory used | 639,913 | 543,665 |
| Employee benefits expense | 486,677 | 510,307 |
| JobKeeper | (107,200) | (54,000) |
| Licenses | 91 | - |
| Repairs and maintenance | 1,982 | 4,890 |
| Other | 1,394 | 783 |
| Total bar expenses | 1,022,857 | 1,005,645 |
| (b) Galley expenses | | |
| Value of inventory used | 476,184 | 438,086 |
| Employee benefits expense | 729,233 | 649,138 |
| JobKeeper | (101,700) | (72,000) |
| Minor consumables | 192 | - |
| Repairs and maintenance | 6,404 | 5,316 |
| Total galley expenses | 1,110,313 | 1,020,53 |

4 Other expenses from normal activities

| | 2021 A\$ | 2020 A\$ |
|---|-------------|-------------|
| (a) Administration expenses | | |
| Advertising expenses | 23,076 | 37,398 |
| Bank charges | 28,226 | 26,294 |
| Cleaning | 122,087 | 115,229 |
| Committee expenses | 8,319 | 3,775 |
| Communication costs | 8,740 | 12,146 |
| Employee benefits expense | 609,123 | 617,417 |
| JobKeeper incentive (refer to accounting policy 1(q)) | (74,700) | (54,000) |
| Insurance | 104,241 | 96,247 |
| IT expense | 35,455 | 14,743 |
| Legal costs | 3,225 | - |
| Members amenities | 16,101 | 21,452 |
| Payroll tax | 11,830 | 49,938 |
| Printing, postage & stationery | 25,245 | 29,885 |
| Rent and rates | 131,890 | 21,568 |
| Repairs & maintenance | 29,146 | 6,945 |
| Security | 5,142 | 4,912 |
| Staff amenities | 1,678 | 25,442 |
| Staff training | 1,837 | 6,311 |

Notes to the Financial Statements

For the Year ended 30 June 2021

| | | |
|--------------------------------------|------------------|------------------|
| Subscriptions | 22,402 | 22,085 |
| Utilities | 96,942 | 92,268 |
| Other | 90,643 | 75,156 |
| Total administration expenses | 1,300,648 | 1,225,211 |

(b) Marina expenses

| | | |
|---|----------------|----------------|
| Employee benefits expense | 159,306 | 169,238 |
| JobKeeper incentive (refer to accounting policy 1(p)) | (63,500) | (45,000) |
| Repairs and maintenance | 92,748 | 105,473 |
| Riverbed and jetty lease | 356 | 38,103 |
| Other | - | 1,200 |
| Total marina expenses | 188,910 | 269,014 |

(c) Interest expenses

| | | |
|--|---------------|---------------|
| Interest expense relating to lease liability | 52,424 | 51,800 |
| Total interest expenses | 52,424 | 51,800 |

(d) Depreciation and amortisation expenses

| | | |
|---|----------------|----------------|
| Depreciation | 413,900 | 380,902 |
| Right of use asset amortisation | 64,780 | 60,579 |
| Total depreciation and amortisation expenses | 478,680 | 441,481 |

5 Current assets – Cash and cash equivalents

| | 2021 | 2020 |
|--|------------------|------------------|
| | A\$ | A\$ |
| Cash at bank and in hand | 2,983,196 | 2,032,615 |
| Cash floats, petty cash & ATM | 5,900 | 3,800 |
| Total cash and cash equivalents | 2,989,096 | 2,036,415 |

6 Current assets – Trade and other receivables

| | 2021 | 2020 |
|--|----------------|----------------|
| | A\$ | A\$ |
| Trade receivables ¹ | 775,045 | 848,892 |
| Less provision for impairment | (17,556) | (17,556) |
| | 757,489 | 831,336 |
| Other receivables and prepayments | 25,813 | 1,636 |
| Total trade and other receivables | 783,302 | 832,972 |

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

¹Trade receivables as at 30 June 2021 includes membership fees for the next financial year ending 30 June 2022. Management has 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.

Notes to the Financial Statements

For the Year ended 30 June 2021

7 Inventories and spares

| | 2021 | 2020 |
|-------------------------------------|---------------|---------------|
| | A\$ | A\$ |
| Bar | 16,240 | 14,761 |
| Galley | 7,759 | 8,643 |
| Marine spares | - | 8,174 |
| Total inventories and spares | 23,999 | 31,578 |

8 Restricted cash and cash equivalents

| | 2021 | 2020 |
|---|---------------|---------------|
| | A\$ | A\$ |
| Bankwest Bond Held | 41,500 | 41,500 |
| Swan River Trust Bond | 43,220 | 43,220 |
| Total restricted cash and cash equivalents | 84,720 | 84,720 |

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 2020 | | | | | | |
| Opening book amount | 38,000 | 70,715 | 5,323,306 | 526,355 | 1,340,287 | 7,298,663 |
| Additions | 14,241 | 5,993 | - | 44,077 | 582,336 | 646,647 |
| Disposals | - | - | - | - | - | - |
| Depreciation charge | - | (38,017) | (156,237) | (111,732) | (74,916) | (380,902) |
| Closing net book amount | 52,241 | 38,691 | 5,167,069 | 458,700 | 1,847,707 | 7,564,408 |
| As at 30 June 2020 | | | | | | |
| Cost | 52,241 | 435,449 | 6,295,824 | 1,202,583 | 4,090,837 | 12,076,934 |
| Accumulated depreciation | - | (396,758) | (1,128,755) | (743,883) | (2,243,130) | (4,512,526) |
| Net book amount | 52,241 | 38,691 | 5,167,069 | 458,700 | 1,847,707 | 7,564,408 |
| Year ended 30 June 2021 | | | | | | |
| Opening book amount | 52,241 | 38,691 | 5,167,069 | 458,700 | 1,847,707 | 7,564,408 |
| Additions | 90,174 | 77,926 | - | 389,289 | 17,487 | 574,876 |
| Disposals | - | - | - | - | - | - |
| Depreciation charge | - | (37,285) | (156,236) | (119,163) | (101,216) | (413,900) |
| Closing net book amount | 142,415 | 79,332 | 5,010,833 | 728,826 | 1,763,978 | 7,725,384 |

Notes to the Financial Statements

For the Year ended 30 June 2021

| | WIP A\$ | Office Equipment A\$ | Buildings A\$ | Bar & Galley A\$ | Marina A\$ | Total A\$ |
|---------------------------|----------------|----------------------------|------------------|------------------------|------------------|------------------|
| As at 30 June 2021 | | | | | | |
| Cost | 142,415 | 513,375 | 6,295,824 | 1,591,872 | 4,108,324 | 12,651,810 |
| Accumulated depreciation | - | (434,043) | (1,284,991) | (863,046) | (2,344,346) | (4,926,426) |
| Net book amount | 142,415 | 79,332 | 5,010,833 | 728,826 | 1,763,978 | 7,725,384 |

10 Right of use assets

| | 2021 A\$ | 2020 A\$ |
|--|----------------|----------------|
| Opening balance | 853,979 | 914,558 |
| Additions | 60,361 | - |
| Amortisation | (64,780) | (60,579) |
| Closing balance net of accumulated amortisation | 849,560 | 853,979 |

11 Current liabilities – Trade and other payables

| | 2021 A\$ | 2020 A\$ |
|---|----------------|----------------|
| Trade payables | 293,438 | 301,279 |
| Accrued expenses | 34,328 | 160,193 |
| Function/event deposits | 73,469 | 24,993 |
| Goods and services tax payable/(receivable) | 141,007 | (49,011) |
| Total trade and other payables | 542,242 | 437,454 |

12 Unearned membership income invoiced in advance

| | 2021 A\$ | 2020 A\$ |
|---|------------------|------------------|
| Security fees | 28,126 | 29,223 |
| Dinghy fees | 2,085 | 1,600 |
| Ramp fees | 22,527 | 21,109 |
| Pen fees | 588,375 | 612,395 |
| Subs fees | 546,671 | 537,175 |
| Rate recovery fees | 3,818 | 3,819 |
| Corporate challenge fees | 7,000 | - |
| Total unearned membership income invoiced in advance | 1,198,602 | 1,205,321 |

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

Notes to the Financial Statements

For the Year ended 30 June 2021

13 Nomination fees in advance

| | 2021 | 2020 |
|---|------------------|------------------|
| | A\$ | A\$ |
| Current | 211,846 | 206,471 |
| Non-current | 835,701 | 804,633 |
| Total nomination fees in advance | 1,047,547 | 1,011,104 |

Full membership, social membership and pen ingoing fees received are recognised in the profit and loss over the expected life of the memberships. Refer to Note 1(c) for prior period error which has been corrected in the above.

14 Fremantle Club Amalgamation

| | 2021 | 2020 |
|--|------------------|------------------|
| | A\$ | A\$ |
| FC lifetime memberships deferred revenue: | | |
| Current | 242,597 | 222,567 |
| Non-current | 1,098,281 | 1,354,796 |
| Total Fremantle Club amalgamation | 1,340,878 | 1,577,363 |

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 were applied by SYC towards funding the cost of refurbishing the SYC premises within 2 years from date of transfer. At 30 June 2021 the Club has recognised a total liability of \$1,340,878 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 Lease liabilities

| | 2021 | 2020 |
|--------------------------------|----------------|----------------|
| | A\$ | A\$ |
| Current | 50,679 | 180,092 |
| Non-current | 812,558 | 694,441 |
| Total lease liabilities | 863,237 | 874,533 |

16 Accumulated Funds

| | 2021 | 2020 |
|--|------------------|------------------|
| | A\$ | A\$ |
| Accumulated members' funds at the beginning of the financial year | 6,215,561 | 6,518,578 |
| Adjustment for application of AASB 15* | - | (982,738) |
| Surplus/ (loss) attributable to the club | 1,126,720 | 679,721 |
| Accumulated members' funds at the end of the financial year | 7,342,281 | 6,215,561 |

*Restated – refer Note 1(c) for details

Notes to the Financial Statements

For the Year ended 30 June 2021

17 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:

| | 2021 | 2020 |
|--|---------------|---------------|
| | A\$ | A\$ |
| (a) Audit and other assurance services | | |
| BDO Audit (WA) Pty Ltd | | |
| Audit of financial statements | 22,000 | 18,000 |
| Total remuneration for audit and other assurance services | 22,000 | 18,000 |
| (b) Non-audit and other assurance services | | |
| Financial statement preparation and other professional services | 5,000 | 1,000 |
| Total remuneration for non-audit and other assurance services | 5,000 | 1,000 |

18 Contingent liabilities

Other than bank guarantees in place at 30 June 2021 totalling \$84,720 relating to leases, the Club had no contingent liabilities as at 30 June 2021.

19 Commitments

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. A Bankwest bank guarantee of \$43,220 will expire on the 03/10/2021 and a St George Bank bank guarantee of \$41,500.

20 Events occurring after the reporting date

There are no matters or circumstances that have 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.

Management is continually monitoring the global COVID-19 situation and its impact on the Club's financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Club is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the 2021 financial year.

Although the club cannot fully estimate the length or gravity of the COVID-19 effect, from its initial assessment, the impact over the next 12 months does not appear to be significant, indicating the entity will be able to continue as a going concern.

Notes to the Financial Statements

For the Year ended 30 June 2021

21 Reconciliation of surplus/(loss) to net cash outflow from operating activities

| | 2021 | 2020 |
|--|------------------|----------------|
| | A\$ | A\$ |
| Surplus/(loss) for the period | 1,126,720 | 679,721 |
| Amortisation and depreciation | 478,680 | 441,481 |
| Decrease/(increase) in trade and other receivables | 57,249 | (12,184) |
| Decrease/(increase) in inventory | 7,579 | 11,396 |
| Increase/(decrease) in member deposits | 16,300 | (2,800) |
| Increase/(decrease) in income in advance and deferred joining fees | 112,168 | 65,808 |
| Increase/(decrease) in trade and other payables | 104,788 | 69,147 |
| Increase/(decrease) in employee provisions | 22,239 | 15,396 |
| Increase/(decrease) in FC funds | (234,276) | (347,832) |
| Net cash inflow used in operating activities | 1,691,447 | 920,133 |

Managing Committee's Declaration

For the year ended 30 June 2021

MANAGING COMMITTEE'S DECLARATION

The Managing Committee of the Club declares that:

1. The Club is not a reporting entity because there are no users 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 2021 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 Ian Harwood
Commodore
13 August 2021

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 2021, 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 managements' 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 2021 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 (including Independence Standards)* (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 management and those charged with governance for the Financial Report

Management 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 management 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, management 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 management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance 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', is written over a small, stylized BDO logo.

Neil Smith

Director

Perth, 13 August 2021