

ST GEORGE



MOTOR BOAT CLUB

THE ST. GEORGE MOTOR BOAT CLUB LIMITED
A.C.N. 000 020 575

FINANCIAL REPORT FOR THE YEAR ENDED
30TH JUNE, 2016

THE ST. GEORGE MOTOR BOAT CLUB LIMITED
A.C.N. 000 020 575

ST. GEORGE MOTOR BOAT CLUB LTD
ABN 55 000 020 575

88th ANNUAL GENERAL MEETING

NOTICE TO BOATING (VOTING) MEMBERS

Notice is hereby given that the Annual General Meeting of the St George Motor Boat Club Limited ABN 55 000 020 575 (the Club) will be held on Sunday 18 September 2016 commencing at 10:00 am in the St Kilda Room in the Club's premises at 2 Wellington Street Sans Souci New South Wales 2219.

- 1. To confirm the Minutes of the 87th Annual General Meeting held on Sunday 20 September 2015.**
- 2. Business arising from the aforesaid Minutes**
- 3. To receive and consider the 88th Annual Report, the Financial Report, Director Reports and Auditors Report for the year ended 30 June 2016.** Please note members are asked to submit in writing to the CEO any questions they have not less than 7 days before the Meeting so that informed responses can be provided at the Meeting.
- 4. To elect the President, Commodore and One Ordinary Director.**
- 5. To consider and if thought fit adopt the Ordinary Resolutions.**
- 6. To deal with any other business of which due notice has been given.**
- 7. To present all candidates for election prior to the close of voting.**

First Ordinary Resolution

That pursuant to the Registered Clubs Act 1976:

- (a) The members hereby approve and agree to the expenditure by the Club in a sum not exceeding \$23,000 (excluding Goods and Services Tax) until the next Annual General Meeting for the following activities of Directors:
 - (i) The reasonable expenses of a meal and beverage for each Director immediately before or immediately after a Board meeting or committee meeting on the day of the meeting when that meeting corresponds with a normal meal time;
 - (ii) The reasonable expenses incurred by Directors in traveling to and from Board meetings or other duly constituted committee meetings approved by the Board from time to time on production of invoices, receipts or other proper documentary evidence of those expenses;
 - (iii) The reasonable expenses incurred by Directors for Club-related activities including entertainment of special guests to the Club and other promotional activities, provided the activities and expenses are approved by the Board before payment is made on production of invoices, receipts or other proper documentary evidence of those expenses;
 - (iv) The reasonable telecommunication expenses of the President, Vice President and Commodore which are incurred for Club-related activities as approved by the Board from time to time on production of invoices, receipts or other proper documentary evidence of those expenses;
 - (v) The provision of a car parking space for each Director at the Club premises.
- (b) The members acknowledge that the benefits in paragraph (a) above are not available to members generally but only for those who are Directors of the Club

Second Ordinary Resolution

That pursuant to the Registered Club Act 1976:

- (a) The members hereby approve and agree to the expenditure by the Club in a sum not exceeding \$20,000 (excluding Goods and Services Tax) until the next Annual General Meeting for the professional development and education of Directors being:
 - (i) The reasonable expenses of Directors attending the Clubs NSW Annual General Meeting and Annual Conference;

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- (ii) The reasonable expenses of Directors attending training courses, conferences, seminars, lectures, trade displays and other similar events as may be determined by the Board from time to time;
- (iii) The reasonable expenses of Directors attending other registered Clubs, hospitality venues and gaming venues for the purpose of viewing and assessing their facilities and methods of operation provided such attendances are approved by the Board as necessary for the benefit of the Club.

(b) The members acknowledge that the benefits in paragraph (a) above are not available to members generally but only for those who are Directors of the Club.

Note to members regarding the Ordinary Resolutions

These notes are to be read in conjunction with the proposed Resolutions:

The first Resolution is to have the members approve expenditure by the Club (up to \$23,000 excluding GST) in relation to duties performed by the Clubs Directors.

The Second Resolution is to have members approve expenditure by the Club (up to \$20,000 excluding GST) in relation to the professional development and education of Directors. Professional development and education of Directors will help the Board to keep abreast of current trends and developments which affect the nature of and the ways in which the Club conducts its business.

Each Resolution will be considered separately. Each Resolution must be considered as a whole and cannot be amended from motions from the floor and the meeting (unless those amendments are accepted on legal advice or divided into two or more separate resolutions. To be passed each Resolution must receive votes in total favor from a majority (i.e. 50% + 1) of those members, who being entitled to do so, vote in person at the meeting. The Registered Clubs Act 1976 does not permit proxy voting.

By direction of the Board

Adrian Vermeulen
Chief Executive Officer

PRESIDENT'S REPORT 2016

It is once again my pleasure to present the President's Report on behalf of the Board of Directors.

The outdoor gaming area is up and running and proves to be extremely popular with members and guests. The cost was in the order of \$900,000 and fully funded from last year's trading.

On the financial side of things we had a record breaking year. Our revenue from Ordinary Activities rose to \$12,250,530, Bar Sales were \$3,054,261 and cash from operating activities hit \$2,128,416. We made a record profit this year \$783,774 before tax and a net profit of \$688,082. As a result of such strong trading \$500,000 was paid off the loan as we did the year before.

We, the Board are extremely pleased with the above record breaking figures as the Board, CEO, Management and Staff continue to work as a team to provide such results.

We currently have a DA in at the Georges River Council to carry out removal of the existing timber decking outside the Baybreeze Café and extend the decking onto the old Fisho's Cage and install a pizza oven and kitchen. Part of the work includes a disabled pedestrian ramp to the lower balcony in accordance with current BCA requirements.

Hopefully you will have noticed the refurbishment of all the lounge furniture which is easier to use and has greatly increased seating capacity.

Finally, we would like to thanks all members who patronise the Club and we would like as many Full Members as possible to attend the AGM on the 18th September as we have an election this year.

David Blyth
President

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COMMODORE'S REPORT 2016

Over the past 12 months my wife and I have represented the Motor Boat Club at many functions and Opening Days at other Clubs and aquatic events.

St George Aquatic Club officers – Commodore Ian Bown, Vice Commodore Len Cave, Rear Commodore Paul Wallington, have had a successful racing season. The last two seasons Spectaculars have been cancelled due to adverse weather. The Spectacular was moved from July to February which has proven very successful. At the Spectacular, the most prestigious race, the Champion of Champions was won by a boat from Victoria Desperado driven by Liam Holland in a close finish from Kieran Cave in Baba Racing.

The Australian APBA has granted the Aquatic Club three title races next year including the Riverside Trophy which is one of the most prestigious trophies on the APBA calendar.

This year's Opening Day will be held on 24th September with the usual Opening Ceremony and Boat Review to follow. Boat owners are welcome to contact Vice President Ron Hinds on 95271451, mobile 0412772306 for details of the review and if they would like to participate in the event.

Life and Veteran's Day will be held on Saturday 18th February with the doors opening at 12.00 noon. I am not standing for Commodore next season as Rae and I hope to do extended travel. I will be possibly away from six to eight weeks and it will be difficult for me to fulfil my obligations as Commodore.

Over the past eight years my tenure on the Board has been a pleasant experience and wish David Toyer all the best as incoming Commodore.

Bob Taylor
Commodore

CEO REPORT 2016

This year has been the most challenging and rewarding year at the Motor Boat Club yet. The reward being a record profit of \$688,082 and record Turnover and Cash from Operating Activity.

Some of the unseen work completed this year included; New poker machine and main lounge air conditioning units, new outdoor poker machine area and 10 new poker machine entitlements, main lounge furniture and new restaurant pass and fridges.

We also saw the retirement of long standing Operations Manager David Moffatt. He served the Club faithfully for 14 years and it was very sad to see him leave. He has been ably replaced by our new Ops Manager Matthew Feening. I would like to welcome Matt and hope that all of you members get the opportunity to meet him as well. He is highly educated, professional and an approachable member of the team.

Moving off this year as well was our Marina Manager, Mark Norden. He is now managing Lake MacQuarie Yacht Club, and we wish him all the best. We arranged for another Mark to take his place and welcome Mark Wellstead to the position and thanks the marina supervisors, Luke and Dan.

Yvonne our Admin Manager again has worked tirelessly this year to obtain this record result. To Yvonne and her team, Susan, Kim, Sam and Samya many thanks. I would also like to thank our Duty Managers, Glen, Charlie, Mark and Supervisor Ben. They are our front line and given the fact we make so many changes, I appreciate their efforts this past year.

Our Functions department had another good year and special thanks to Kellie our Functions Manager and Kate. We had another departure this year with Trish our functions coordinator once again I would like to say thanks and wish her all the best.

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Also having a good year was our Café Team. To Tiziano our Head Chef, Sammi, Dennis, Johnno and the rest of the team congratulations on going from a loss in your first year of trading to a profit of \$96,172. A tremendous effort and we are looking forward to the introduction of our pizza oven.

We are going to focus on our customer service this financial year so training will commence shortly for our bar and function staff. We really do have great staff and I personally would like to thank them for all their loyalty to the Club and our customers. They really do make a difference.

I would like to thank Todd and Cucina Catering. We have expanded our eating area to include the main lounge area. They really do serve a lot of meals over a week, well done Todd, Jemma and Blake.

Finally I would like to thank David Blyth our Club President and the Board for the trust and cooperation they place in me and our management I look forward to working with David for another three years. I personally wish to thank retiring Commodore, Bob Taylor and wish him all the best in his travels.

Adrian Vermeulen
Chief Executive Officer

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DIRECTORS' REPORT - 2016

Your directors present this report on the company for the financial year ended 30 June 2016.

Directors

The names of each person who has been a director during the year and to the date of this report are:

David Blyth
Ron Hinds
Bob Taylor
Barry Barker
Leo Costa
Ross Gilholme
Adrian Morris
Gary Ridley
Matthew Robinson
David Toyer

The Company Secretary is Adrian Vermeulen.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

As the company is a corporation limited by guarantee, there are no shares held by the Directors of the Company.

Principal Activities

The principal activity of the Company is the provision of facilities for motor boat racing and allied activities, together with normal licensed club operations under Part 10 of the New South Wales Liquor Act. There were no significant changes in the nature of the company's activities during the financial year.

Short-term and Long-term Objectives

The company's short-term objectives are to:

- Maintain our debt reduction strategy.
- Focus on customer service in all areas of the Club and being accessible to our members.
- Measure and control expenditure and maximise our sales and income.

The company's long-term objectives are to:

- Redevelop the ground floor area.
- Maximise Club profit and members benefits.
- Maintain a strong management team.
- Maintain our community profile and the corporate image of the Motor Boat Club.

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DIRECTORS' REPORT - 2016 (Continued)

Strategies

To achieve its stated objectives, the company has adopted the following strategies:

- To meet at least once per year for two day strategic planning sessions and revisit and report on the strategic plans progress quarterly ensuring that our goals conform to our mission and vision statements.
- Set financial goals and department KPI's
- Monitor members' communications policies in line with our service goals.

Key Performance Measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

Information on Directors

David Blyth President

Qualifications Licenced Builder and Qualified Supervisor.

Experience Joined the Club in 1979 and elected to the Board in 2004. Director 2004 to 2009; Vice President 2009 to 2013; President 2013 to 2016; Building Committee Member 2006 to 2016; Life member since 2011. Managing Director David Blyth Pty. Ltd. Property Developers established in 1973.

Special Responsibilities Member of Finance Committee and Building Committee

Ronald Alfred Hinds Vice President

Qualifications Justice of the Peace for 32 years.

Experience Joined the Club in 1984 and elected to the Board in 2008. Vice President from 2002 to 2006 and 2013 to 2016. Director and Member of Board's Finance Committee from 2001 to 2006 and 2008 to 2016.
Executive Director of own Management Consultancy business, Qualbiz Pty Ltd for 19 years. Previously 27 years' experience in senior management and senior marketing positions in large public sector businesses.

Special Responsibilities Member of Finance Committee

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DIRECTORS' REPORT - 2016 (Continued)

Barry Barker

Qualifications BCom majoring in finance and management, LLB Solicitor admitted to practice in several jurisdictions.

Experience Joined the Club in 2004 and elected to the Board in 2013 and director of club for 3 years. Business experience in Audit, partner in leading Australian legal practice for 28 years, member and chairman of trust account committee of multimillion dollar turnover legal business for 12 years. Extensive experience in property related litigation, acquisitions and sales, leasing, property development and construction, rent reviews and valuation, mediation, trust structures, banking and finance.

Special Responsibilities Head of Finance Committee.

Leo Costa

Qualifications

Experience Joined the Club in 1983 and elected to the Board in 2003. Marina berth holder for 30 years and Fishing Club Vice President. Qualified Mechanical Engineer with extensive building and air conditioning maintenance experience. Managing Director of a substantial engineering business for over 30 years. Past President of Kogarah Rotary club.

Special Responsibilities Member of Building Committee

Ross Arthur Gilholme

Qualifications Licensed Customs Broker.

Experience Joined the Club in 1984 and elected to the Board in 2013. Ordinary Director 2013 – 2016. Director and founder Commercial Customs Services Pty Ltd 1980 – 2007 (Retired) Director and Chairman Sylvania Waterways Ltd 2004 – 2009

Special Responsibilities Member of Building Committee

Adrian John Morris

Qualifications Dip, Coastal Marine Engineering, Automotive Trade Certificate, Post Trade Diesel Certificate, STCW95 Certificate, Senior First Aid Certificate, C2 Crane Certificate. Member of the Institute of Automotive Mechanical Engineers, Member of the Australian Institute Marine Power Engineers.

Experience Joined the Club in 2000 and elected to the Board in 2008. 38 years' experience in automotive and marine industry and currently working as a contract Maritime Engineer involved in bunkering, towage and general marine engineering servicing.

Special Responsibilities Member of Building Committee

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DIRECTORS' REPORT - 2016 (Continued)

Gary John Ridley

Qualifications Chartered Accountant (Retired) Registered Tax Agent, Registered Company Auditor.

Experience Joined the Club in 1994 and elected to the Board in 2013. Director of the Club 2013 to 2016. Member of Board's Finance Committee from 2013 to 2016. Previous experience in auditing clubs with poker machines. Partner in Chartered Accountant Practice 1976 to 1982. Sole Practitioner accounting practice 1982 to 2016.

Special Responsibilities Member of Finance Committee

Matthew Joseph Robinson

Qualifications Qualified Engineer.

Experience Joined the Club in 1986 and elected to the Board in 2013. Director of the Club from 2013 to 2016. Managing Director Moby Marine Services Pty Ltd 1983 to present, Boating Industry Association NSW Director 1999 to 2007, Marine Industry Mechanical Repairers Association President 1997 to 2007, MIMRA Secretary 2007 to 2008.

Special Responsibilities

David Gordon Toyer

Qualifications Bachelor of Architecture (UNSW) 1969.

Experience Joined the Club in 1986 and elected to the Board in 2016. Appointed Commodore June 2016. Director of David Toyer & Associates Architects for 27 years now retired. National design and construction manager for multi-national fast food chain for 12 years. National President and Director Australian Powerboat Association for 12 years and State President for 6 years. Vice President (Oceania) Union International Motorboating for 3 years.

Special Responsibilities

Bob Taylor Resigned June 2016

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DIRECTORS' REPORT - 2016 (Continued)

Meetings of Directors

During the financial year, 12 meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	Number Attended	Number Eligible to Attend
David Blyth	12	12
Ron Hinds	11	12
Bob Taylor	12	12
Barry Barker	11	12
Leo Costa	11	12
Ross Gilholme	9	12
Adrian Morris	11	12
Gary Ridley	11	12
Matthew Robinson	12	12
David Toyer	1	1

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on the next page.

Signed in accordance with the resolution of the board of Directors.

D. BLYTH – DIRECTOR

R. HINDS - DIRECTOR

Sydney, 29th August 2016

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

TO THE DIRECTORS OF THE ST. GEORGE MOTOR BOAT CLUB LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30th June 2016 there have been:

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

LITTLEWOODS

Aubrey Reisen

29th August 2016

Suite 601
74 Pitt Street
SYDNEY NSW 2001

THE ST. GEORGE MOTOR BOAT CLUB LIMITED
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STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE, 2016

	Note	2016 \$	2015 \$
Revenue from Ordinary Activities	2	12,250,530	11,509,451
Employee Benefits Expense		3,181,307	3,155,941
Depreciation and Amortisation Expense		1,163,100	1,191,693
Interest and Borrowing Costs		330,299	364,379
Other Expenses from Ordinary Activities		6,792,050	6,297,360
		<hr/>	<hr/>
Current Year Surplus before Income Tax	3	783,774	500,078
Income Tax Expense	14	(95,692)	(73,861)
		<hr/>	<hr/>
Net Current Year Surplus		688,082	426,217
		<hr/>	<hr/>

The accompanying Notes form part of these Financial Statements

THE ST. GEORGE MOTOR BOAT CLUB LIMITED
A.C.N. 000 020 575

A Company Limited by Guarantee
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE, 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	4	247,706	392,153
Trade and Other Receivables	5	318,067	259,413
Inventories	6	179,046	172,596
Other Current Assets	7	107,439	44,257
		852,258	868,419
TOTAL CURRENT ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	8	20,014,481	19,301,503
Deferred Tax Asset	15	14,400	22,502
Intangible Assets	9	704,781	368,134
		20,733,662	19,692,139
TOTAL NON-CURRENT ASSETS			
		21,585,920	20,560,558
TOTAL ASSETS			
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	10	1,743,384	1,274,241
Financial Liabilities	11	150,839	32,499
Short Term Provisions	12	348,481	360,738
Current Tax Liabilities	14	58,564	59,160
		2,301,268	1,726,638
TOTAL CURRENT LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and Other Payables	10	15,638	48,036
Financial Liabilities	11	5,696,105	5,904,583
Long Term Provisions	13	31,227	27,701
		5,742,970	5,980,320
TOTAL NON-CURRENT LIABILITIES			
		8,044,238	7,706,958
TOTAL LIABILITIES			
		13,541,682	12,853,600
NET ASSETS			

The accompanying Notes form part of these Financial Statements

THE ST. GEORGE MOTOR BOAT CLUB LIMITED
A.C.N. 000 020 575

A Company Limited by Guarantee
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE, 2016

	Note	2016	2015
		\$	\$
EQUITY			
Retained Earnings		13,541,682	12,853,600
		<hr/>	<hr/>
TOTAL EQUITY		13,541,682	12,853,600
		<hr/>	<hr/>

The accompanying Notes form part of these Financial Statements

THE ST. GEORGE MOTOR BOAT CLUB LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE, 2016

	Retained Surplus	Financial Assets Reserve	Total
	\$	\$	\$
Balance at 1 July 2014	12,427,383	-	12,427,383
Comprehensive Income			
Surplus for the year attributable to members of the entity	426,217	-	426,217
Other comprehensive income for the year	-	-	-
Balance at 30 June 2015	12,853,600	-	12,853,600
Comprehensive Income			
Surplus for the year attributable to members of the entity	688,082	-	688,082
Other comprehensive income for the year	-	-	-
Balance at 30 June 2016	13,541,682	-	13,541,682

The accompanying Notes form part of these Financial Statements

THE ST. GEORGE MOTOR BOAT CLUB LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE, 2016

	Note	2016 \$	2015 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Members and Non-Members		10,603,017	9,800,199
Payments to Suppliers and Employees		(8,062,591)	(7,800,045)
Interest Received		6,475	4,095
Interest and Other Costs of Finance Paid		(330,299)	(364,379)
Income Tax Paid		(88,186)	(36,765)
		<hr/>	<hr/>
Net Cash provided by Operating Activities	2	2,128,416	1,603,105
		<hr/>	<hr/>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property, Plant and Equipment		31,082	68,640
(Payment for Property), Plant and Equipment		(2,213,807)	(1,031,581)
		<hr/>	<hr/>
Net Cash (used in) Investing Activities		(2,182,725)	(962,941)
		<hr/>	<hr/>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		453,692	-
Repayment of Borrowings		(543,830)	(580,715)
		<hr/>	<hr/>
Net Cash (used in) Financing Activities		(90,138)	(580,715)
		<hr/>	<hr/>
Net Increase/(Decrease) in Cash Held		(144,447)	59,449
Cash at beginning of year	1	392,153	332,704
		<hr/>	<hr/>
CASH AT END OF YEAR	1	247,706	392,153
		<hr/>	<hr/>

The accompany Notes form part of these financial statements

THE ST. GEORGE MOTOR BOAT CLUB LIMITED
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NOTES TO AND FORMING PART OF THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE, 2016

1. RECONCILIATION OF CASH

For the purposes of this Statement of Cash Flows, cash includes:-

- (i) Cash on hand and in at call deposits with banks or financial institutions, net of bank overdrafts; and
- (ii) Investments in money market instruments which are readily convertible to cash.

Cash at the end of the year is shown in Balance sheet as :-

	2016	2015
	\$	\$
Cash on Hand	120,000	100,000
Cash at Bank and in At Call Deposits with Financial Institutions	127,706	292,153
	247,706	392,153

2. RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH OPERATING PROFIT AFTER INCOME TAX

Operating Profit after Income Tax	688,082	426,217
Non-Cash Flows in Operating Profit		
Depreciation & Amortisation	1,133,100	1,158,244
Increase/(Decrease) in Provisions	(9,289)	24,522
Increase/(Decrease) in Income Tax Payable	(596)	109,135
(Increase)/Decrease in Deferred Tax Asset	8,102	1,491
Changes in Assets and Liabilities		
(Increase)/Decrease in Trade and Other Debtors	(58,096)	389,805
(Increase)/Decrease in Inventories	(6,450)	(14,961)
(Increase)/Decrease in Prepayments	(63,182)	6,891
Increase/(Decrease) in Trade Creditors and Accruals	444,052	(98,458)
Increase/(Decrease) in Prepaid Marine Rentals	(7,307)	(399,781)
	2,128,416	1,603,105

THE ST. GEORGE MOTOR BOAT CLUB LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The St George Motor Boat Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

Property, Plant and Equipment

(i) Owned Assets

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation/amortisation (see below) and impairment losses (see accounting policy (d)).

Certain items of property, plant and equipment that had been revalued to fair value on or prior to 1 July 2004, the date of transition to Australian Accounting Standards – AIFRSs, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Subsequent Costs

The Club recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Club and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

THE ST. GEORGE MOTOR BOAT CLUB LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant and Equipment (Continued)

(iii) Depreciation/Amortisation

Depreciation/amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The depreciation rates used in the current and comparative periods are as follows:

	Depreciation Rate
Marina	5.0%
Buildings	2.5%
Plant and Equipment	5 - 33.33%
Poker Machines	25 - 33.33%

(iv) Freehold Property

Freehold land and buildings are shown at their fair value based on the 1 July 2004 valuation by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

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.

Freehold land and buildings that have been contributed at no cost or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Impairment of Assets

The carrying amounts of the Club's assets, other than inventories (see accounting policy (d) and deferred tax assets (see accounting policy (i)), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see accounting policy (d) (i)).

THE ST. GEORGE MOTOR BOAT CLUB LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Calculation of Recoverable Amount

The recoverable amount of assets other than held-to-maturity securities and receivables carried at amortised cost is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of Impairment

In respect of assets other than held-to-maturity securities and receivables carried at amortised cost, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Employee Benefits

Provision is made for the Club's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Provisions

A provision is recognised in the balance sheet when the Club has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

THE ST. GEORGE MOTOR BOAT CLUB LIMITED
A.C.N. 000 020 575

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue

(i) Goods Sold and Services Rendered

Revenue from the sale of goods comprises revenue earned from the provision of food, beverage and other goods and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from gaming facilities together with other services to members and other patrons of the club is recognised in the income statement when the services are provided. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, the costs incurred or to be incurred cannot be measured reliably, there is a risk of return of goods or there is continuing management involvement with the goods.

Expenses

(i) Operating Lease Payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense and spread over the lease term.

(ii) Finance Lease Payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(iii) Net Financing Costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest method, and interest receivable on funds invested.

Interest income is recognised in the income statement as it accrues, using the effective interest method. The interest expense component of finance lease payments is recognised in the income statement using the effective interest rate method.

THE ST. GEORGE MOTOR BOAT CLUB LIMITED
A.C.N. 000 020 575

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax

Income tax on the profit for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the balance sheet.

Intangible Assets

Poker Machine Entitlements that are acquired by the Company which have infinite useful lives are measured at cost less accumulated impairment losses. Poker Machine Entitlements have indefinite useful lives as they have no expiry date. Accordingly, such intangible assets are not amortised but are systematically tested for impairment at each reporting date.

THE ST. GEORGE MOTOR BOAT CLUB LIMITED
A.C.N. 000 020 575

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2016**

	2016	2015
	\$	\$
2. REVENUE		
Turnover from Trading Activities	8,002,912	7,507,601
Other Operating Revenue:-		
Interest Received	6,475	4,095
Members' Subscriptions and Joining Fees	126,915	132,357
Rent Received	1,857,289	1,607,612
Sundry Income	255,575	151,393
Catering Rent, Function & Café Income	1,943,942	1,805,784
Profit on Sale of Fixed Assets	30,000	33,449
Insurance Recoveries	27,422	267,160
	12,250,530	11,509,451
3. OPERATING PROFIT		
The operating profit before income tax is arrived at after charging and crediting the following specific items:		
Charges:		
Auditors' Remuneration - Audit	22,900	22,300
- Other Services	3,520	4,120
Depreciation	1,163,100	1,191,693
Honoraria	491	588
Interest Paid - Other Persons	280,393	317,843
Provision for Holiday Pay	9,854	32,874
Provision for Long Service Leave	(18,585)	(9,000)
Provision for Bad Debts	(558)	647
Credits:		
Interest Received - Other Persons	6,475	4,095
Profit on Sale of Fixed Assets	30,000	33,449
Insurance Recoveries	27,422	267,170
4. CASH AND CASH EQUIVALENTS		
Cash on Hand	120,000	100,000
Cash at Bank	127,706	292,153
	247,706	392,153

THE ST. GEORGE MOTOR BOAT CLUB LIMITED
A.C.N. 000 020 575

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2016

	2016	2015
	\$	\$
5. TRADE AND OTHER RECEIVABLES		
Trade Debtors (After Provision for Impairment - \$1,089 , 2015 - \$1,647)	256,153	215,347
Other Amounts Receivable	56,401	38,535
Short Term Deposits (a)	5,513	5,531
	318,067	259,413
(a) TAB hold a Security Deposit Guarantee of \$5,500 over the Short Term Deposit		
 6. INVENTORIES - CURRENT		
Finished Goods – at Cost	179,046	172,596
 7. OTHER - CURRENT		
Prepayments	107,439	44,257
	107,439	44,257

THE ST. GEORGE MOTOR BOAT CLUB LIMITED
A.C.N. 000 020 575

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2016**

8. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Marina	Plant & Equipment	Total
	\$	\$	\$	\$	\$
COST					
Balance 1 July 2014	9,270,000	3,936,573	7,910,552	6,183,756	27,300,881
Additions	-	108,386	-	923,195	1,031,581
Disposals	-	-	-	(200,429)	(200,429)
Balance 30 June 2015	9,270,000	4,044,959	7,910,552	6,906,522	28,132,033
Balance 1 July 2015	9,270,000	4,044,959	7,910,552	6,906,522	28,132,033
Additions	-	588,320	-	1,288,840	1,877,160
Disposals	-	-	-	(122,443)	(122,443)
Balance 30 June 2016	9,270,000	4,633,279	7,910,552	8,072,919	29,886,750
Depreciation and Impairment Losses					
Balance 1 July 2014	-	695,666	2,681,711	4,426,698	7,804,075
Depreciation for Year	-	126,745	395,268	636,231	1,158,244
Disposals	-	-	-	(131,789)	(131,789)
Balance 30 June 2015	-	822,411	3,076,979	4,931,140	8,830,530
Balance 1 July 2015	-	822,411	3,076,979	4,931,140	8,830,530
Depreciation for Year	-	136,903	395,268	600,929	1,133,100
Disposals	-	-	-	(91,361)	(91,361)
Balance 30 June 2016	-	959,314	3,472,247	5,440,708	9,872,269
Carrying Amount					
30 June 2014	9,270,000	3,240,907	5,228,841	1,757,058	19,496,806
30 June 2015	9,270,000	3,222,548	4,833,573	1,975,382	19,301,503
30 June 2016	9,270,000	3,673,965	4,438,305	2,632,221	20,014,481

Land, Buildings and Marina are considered Core Property in reference to Section 41 J of the registered Clubs Act.

Core Property includes business premises/clubhouse and any facility provided by the Club for use of members.

Core Property per Registered Clubs Act can only be disposed if approved by a resolution passed by the majority of ordinary members.

	2016	2015
	\$	\$
9. INTANGIBLE ASSETS		
Poker Machine Entitlements at Cost		
Balance	704,781	368,134

Poker Machine Entitlements are stated at cost less accumulated impairment losses.

Poker Machine Entitlements have an indefinite useful life given they have no expiry date and accordingly are not amortised but are to be assessed annually for impairment.

THE ST. GEORGE MOTOR BOAT CLUB LIMITED
A.C.N. 000 020 575

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2016

	2016	2015
	\$	\$
10. TRADE AND OTHER PAYABLES		
CURRENT		
Trade Creditors	694,849	361,703
Accrued Expenses	516,517	521,573
Other Creditors	470,598	354,636
15 Year Marina Rentals Prepaid	32,398	34,281
Annual Marina Rentals Prepaid	29,022	2,048
	1,743,384	1,274,241
NON CURRENT		
15 Year Marina Rentals Prepaid	15,638	48,036
11. FINANCIAL LIABILITIES		
CURRENT		
Hire Purchase Liability	150,839	32,499
	150,839	32,499
NON-CURRENT		
Loan – Commonwealth Bank Ltd (a)	5,400,000	5,900,000
Hire Purchase Liability	296,105	4,583
	5,696,105	5,904,583

(a) Secured by first Registered Mortgage over Club Premises at 2 Wellington Street San Souci. First Registered Mortgage over lease by the Club over the marina and first Ranking Charge over all present and acquired property.

THE ST. GEORGE MOTOR BOAT CLUB LIMITED
A.C.N. 000 020 575

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2016

	2016	2015
	\$	\$
12. SHORT TERM PROVISIONS		
Holiday Pay	263,302	253,448
Long Service Leave	85,179	107,290
	348,481	360,738
13. LONG TERM PROVISIONS		
Long Service Leave	31,227	27,701
14. INCOME TAX		
<p>The Income Tax Assessment Act, 1997 (amended) provides that under the concept of mutuality, clubs are only liable for income tax on income derived from non members and from outside entities.</p>		
Income Tax Expense		
Income Tax Expense attributable to operating profit is made up of:		
Current Year Income Tax Provision	87,590	72,370
Deferred Tax Benefit		
Origination and reversal of temporary differences	8,102	1,491
	95,692	73,861
Total Income Tax Expense in Income Statement	95,692	73,861

THE ST. GEORGE MOTOR BOAT CLUB LIMITED
A.C.N. 000 020 575

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2016**

	2016	2015
	\$	\$
15. DEFERRED TAX ASSETS		
Provisions and Accruals (Asset)	62,731	91,738
Property Plant & Equipment (Liability)	(48,331)	(69,236)
	14,400	22,502

16. COMMITMENTS FOR EXPENDITURE

Expenditure contracted for:-

Finance, Lease and Hire Purchase Commitments

	Due 1 Year	Due 2-5 Years	Total Payments	Less Future Finance Charges	Present Value of Payments
	\$	\$	\$	\$	\$
2016					
Finance Agreements					
IGT System Installation and Software Upgrades Interest Free	131,882	263,765	395,647	-	395,647
Hire Purchase Agreements					
Motor Vehicles under Hire Purchase Facility	5,345	-	5,345	762	4,583
Equipment & Leases					
New Courtesy Bus #3	15,891	35,756	51,647	4,933	46,714
TOTAL	153,118	299,521	452,639	5,695	446,944
2015					
Finance Agreements	-	-	-	-	-
Hire Purchase Agreements					
Motor Vehicles under Hire Purchase Facility	32,073	5,345	37,418	5,335	32,083
Equipment & Leases					
Courtesy Bus #2 and Ice Machine	5,819	-	5,819	820	4,999
TOTAL	37,892	5,345	43,237	6,155	37,082

THE ST. GEORGE MOTOR BOAT CLUB LIMITED
A.C.N. 000 020 575

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2016

	2016	2015
	\$	\$
17. CAPITAL COMMITMENTS		
Capital Expenditure Commitments	-	-
	<hr/>	<hr/>
18. RELATED PARTY DISCLOSURE		
(a) Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		
- Director - related entities		
During the year David Blyth Pty Ltd supplied floor tiles to the club at cost \$1,162		
(b) During the year, the following expenditure was incurred relating to directors which were not generally available to Members:-		
Board/Committee Meetings/Official Functions and related expenses	15,707	
Industry Meetings/Conferences	13,180	
Honoraria - D Blyth	-	
- B. Taylor	491	

19. KEY MANAGEMENT PERSONNEL COMPENSATION

Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the association, directly or indirectly, including its committee members, is considered key management personnel.

	2016	2015
	\$	\$
Key management personnel compensation:		
- short term benefits	436,609	321,076
- post-employment benefits	-	-
	<hr/>	<hr/>
	436,609	321,076
	<hr/>	<hr/>

THE ST. GEORGE MOTOR BOAT CLUB LIMITED
A.C.N. 000 020 575

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2016

20. FINANCIAL REPORTING BY SEGMENTS

The Club operates predominantly in one industry. The principal activity of the club is that of a Club registered under Part 10 of the New South Wales Liquor Act. The club operates in one geographical area, being Sans Souci, N.S.W. Australia.

21. MEMBERS' GUARANTEE

The company is limited by guarantee. If the company is wound up, the articles of association state that each member is required to contribute a maximum of \$2.10 each towards meeting any outstanding obligations of the company. At 30 June, 2016 the number of members was 19,759 (2015 – 18,059).

22. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any significant events since the end of the reporting period.

23. ENTITY DETAILS

The registered office of the entity is:

2 Wellington Street
SANS SOUCI NSW 2219

The principal place of business is:

2 Wellington Street
SANS SOUCI NSW 2219

THE ST. GEORGE MOTOR BOAT CLUB LIMITED
A.C.N. 000 020 575

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2016

24. FINANCIAL RISK MANAGEMENT

(a) Financial instruments and derivatives

The company is not exposed to significant financial risks from movements in foreign exchange rates as there are no financial assets and liabilities denominated in foreign currencies, this is inclusive of both on and off balance sheet financial instruments.

(b) Accounting policies and methods adopted

The accounting policies and methods adopted in relation to each class of financial asset and liability are disclosed in Note 1.

(c) Interest rate risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rate on those financial assets and liabilities, is as follows:

	2016			2015		
	Average	Maturity		Average	Maturity	
	effective interest	1 Year	over	effective interest	1 Year	Over
	rate	or less	1 year		or less	1 year
Financial Assets						
Cash on Hand and at Bank	0.2%	247,706	-	0.8%	392,153	-
Short Term Deposit	2.2%	5,513	-	2.1%	5,531	-
Receivables	0.0%	312,554	-	0%	253,882	-
Prepayments	0.0%	107,439	-	0%	44,257	-
		<hr/>	<hr/>		<hr/>	<hr/>
Total Financial Assets		673,212	-		695,823	-
		<hr/>	<hr/>		<hr/>	<hr/>
Financial Liabilities						
Trade Creditors and Accruals	0.0%	1,743,384	-	0%	1,274,241	-
Bank Loans	4.335%	-	5,400,000	4.49%	-	5,900,000
Hire Purchase Liability	1.27%	150,839	296,105	6.2%	32,499	4,583
		<hr/>	<hr/>		<hr/>	<hr/>
Total Financial Liabilities		1,894,223	5,696,105		1,306,740	5,904,583
		<hr/>	<hr/>		<hr/>	<hr/>

At 30th June 2016, 100% of bank loans are at variable interest rates whereas hire purchase liabilities are at fixed rates.

THE ST. GEORGE MOTOR BOAT CLUB LIMITED
A.C.N. 000 020 575

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2016

24. FINANCIAL RISK MANAGEMENT (Continued)

(d) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount as disclosed in the balance sheet and notes to the financial statements.

(e) Net fair values

For all other financial assets and liabilities the fair net value approximates their carrying value. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the accounts.

THE ST. GEORGE MOTOR BOAT CLUB LIMITED
A.C.N. 000 020 575

DIRECTORS DECLARATION

In accordance with a resolution of the Directors of The St. George Motor Boat Club Limited the directors declare that:-

1. The Income Statement, Balance Sheet, Statement of Cash Flows and Notes to and forming part of the Financial Statements are in accordance with the Corporations Act 2001.
 - (a) comply with Accounting Standards and the Corporations Regulations 2001 and
 - (b) give a true and fair view of the financial position as at 30th June 2016 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

D. BLYTH - DIRECTOR

R. HINDS - DIRECTOR

SYDNEY, 29th August 2016

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE ST. GEORGE MOTOR BOAT CLUB LIMITED
A.C.N. 000 020 575

Report on the financial report

We have audited the accompanying financial report of The St George Motor Boat Club Limited (the company), which comprises the balance sheet as at 30th June 2016, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the company.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: "Presentation of Financial Statements", that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's responsibility

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

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

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

Independence

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

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of The St George Motor Boat Club Limited, would be the same terms if given to the directors as at the time of this auditor's report

INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF
THE ST. GEORGE MOTOR BOAT CLUB LIMITED
A.C.N. 000 020 575**

Auditor's Opinion

In our opinion:

- a. the financial report of The St George Motor Boat Club Limited is in accordance with the *Corporations Act 2001*, including
 - (i) giving a true and fair view of the company's financial position as at 30th June 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- b. the financial report also complies with International financial Reporting Standards as disclosed in Note 1.

SYDNEY, 29th August 2016

LITTLEWOODS
Chartered Accountants
by A. Reisen C.A.
Registered Company Auditor

THE ST. GEORGE MOTOR BOAT CLUB LIMITED
A.C.N. 000 020 575

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE, 2016

	2016	2015
	\$	\$
INCOME was derived from:-		
TRADING SURPLUS		
Clubhouse Activities - Liquor	2,074,597	2,016,527
- Poker Machines	2,564,541	2,477,491
Members' Contributions - Subscriptions & Joining Fees	126,915	132,357
Rent Received - Marina and Slipway	1,857,289	1,607,612
Interest Received - Other Persons	6,475	4,095
Sundry Income	391,168	240,296
Catering Rent, Function & Café Income	1,943,942	1,805,784
Insurance Recoveries	27,422	267,170
Profit on Sale of Fixed Assets	30,000	33,449
	9,022,349	8,584,781

THE COSTS OF OPERATING THE CLUB were:-

CLUBHOUSE OPERATIONS

Wages - Bar, House and Marina	1,368,230	1,183,163
- Food/Cafe	801,702	964,049
Artists and Musicians	56,609	75,685
Bad Debts	1,159	2,230
Club Promotions	838,188	764,963
Contract Cleaning/Cleaning Wages	148,607	217,735
Counter Snacks	9,813	7,044
Flower and Decorations	9,623	8,563
Laundry and Cleaning	81,939	82,231
Light and Power	252,418	296,446
Repairs, Maintenance and Replacements	315,471	299,236
Sky Channel & Fox	54,538	57,798
Staff Meals and Amenities	26,913	38,264
Stock Control	8,222	1,137
Club Uniforms	11,680	11,000
	3,985,112	4,009,544

THE ST. GEORGE MOTOR BOAT CLUB LIMITED
A.C.N. 000 020 575

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE, 2016

	2016	2015
	\$	\$
ADMINISTRATION		
Advertising	128,748	103,145
Auditors' Remuneration - Audit	22,900	22,300
- Other Services	3,520	4,120
(The Auditors received no other benefits)		
Donations and Subscriptions	118,158	28,462
Entertainment	29,787	21,639
Honoraria	491	588
Insurance	189,714	169,722
Legal Fees	485	922
Long Service Leave	(18,585)	(9,000)
Motor Vehicle Expenses	16,541	16,568
Printing, Stationery and Postage	59,482	63,297
Repairs and Maintenance - Building and Grounds	178,732	146,348
Salaries	637,745	578,316
Security	79,411	79,649
Special Functions	21,147	17,869
Staff Training	8,805	22,816
Sundries	71,467	58,045
Superannuation	243,300	263,037
Telephone/Internet	30,866	35,774
	1,822,714	1,623,617

THE ST. GEORGE MOTOR BOAT CLUB LIMITED
A.C.N. 000 020 575

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE, 2016

	2016	2015
	\$	\$
LICENCES AND TAXES		
Poker Machines	392,174	374,315
Payroll	127,854	134,578
Fringe Benefits Tax	11,207	8,924
Sundries	35,266	41,535
	566,501	559,352
Bank/Credit Card Charges/Borrowing Costs	49,906	46,536
Depreciation of Fixed Assets	1,163,100	1,191,693
Interest Paid - Other Persons	280,393	317,843
Provision for Holiday Pay	9,854	32,874
Rates and Marina Leasehold	360,995	303,244
	8,238,575	8,084,703
TOTAL EXPENSES		
OPERATING PROFIT FOR THE YEAR		
Before Income Tax	\$ 783,774	\$ 500,078