

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, 2017**



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

**89<sup>th</sup> ANNUAL GENERAL MEETING**

**NOTICE TO BOATING (VOTING) MEMBERS**

PLEASE NOTE: The following dates and times pertaining to acceptance of Nominations for the positions of Three Ordinary Board Members, voting thereof and the Annual General Meeting.

**NOMINATIONS FOR THREE  
ORDINARY BOARD MEMBERS OPEN:**  
Friday 14 July 2017

**NOMINATIONS FOR THREE  
ORDINARY BOARD MEMBERS CLOSE:**  
Friday 28 July 2017 at 5:00pm

**VOTING FOR THREE ORDINARY  
BOARD MEMBERS TAKES PLACE AT THE CLUB:**  
Sunday 17 September 2017  
Ballot Papers available from 8:00 am  
Voting Closes at completion of AGM

**ANNUAL GENERAL MEETING:**  
2 Wellington Street, SANS SOUCI NSW 2219  
Sunday 17 September 2017 from 10:00am

Please note: To be eligible to stand as an Ordinary Director the Member must be a full financial Boating/Voting Member with three (3) years continuance of membership.

All nominations for the Three Ordinary Board Members must be accompanied by a profile of the candidate which must not exceed 100 words and handed to the CEO prior to the close of Nominations.

Nominees must complete the ClubsNSW "Online Future Directors Information Session" and provide a completed copy to the CEO prior to the close of Nominations.

In accordance with "Registered Club Regulation 2015" all Nominees must complete the training proscribed in the Regulation within 12 month of becoming a Board Member

**BY ORDER OF THE BOARD**  
**ADRIAN VERMEULEN, CEO**

**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 17 September 2017 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 88th Annual General Meeting held on Sunday 18th September 2016.**
- 2. Business arising from the aforesaid Minutes**
- 3. To receive and consider the 89<sup>th</sup> Annual Report, the Financial Report, Director Reports and Auditors Report for the year ended 30 June 2017.** 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 Three Ordinary Director.**
- 5. To consider and if thought fit adopt the Ordinary Resolutions.**
- 6. To consider and if thought fit appoint Mr Ronald Hinds as Life Member as recommended by the Board.**
- 7. To deal with any other business of which due notice has been given.**
- 8. 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;
  - (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**

**By order of the Board**

**Adrian Vermeulen**  
**Chief Executive Officer**  
**Dated 27<sup>th</sup> June 2017**

**Presidents Report 2017**

Again it is my pleasure to present the President's Report on behalf of the Board of Directors.

Last year was again a record breaking year. Our revenue from Ordinary Activities rose to \$13,108,935 up from \$12,250,530 and Bar Sales were \$3,191,293 up from \$3,054,261. We made a record profit this year \$703,627 after tax and again paid \$500,000 off the loan.

This year the Motor Boat Club provided its members with \$475,890 in member's discounts over the past financial year with membership topping over 24,000 during the period.

Compared to last year; Club promotions increased by \$90,940, depreciation increased by \$104,980, gaming taxes increased by \$39,726. Sales in the Café have increased by \$210,657 and includes the introduction of our pizza oven and pizza kitchen area.

We, the Board are extremely pleased with the above record profit after a slow start to the financial year and congratulate the CEO, Management and Staff to provide such results.

It is our plan this year to refurbish the upstairs toilets, new furniture and décor in the Captains Grill Restaurant and install new main power board to future proof the club power needs.

The Board and I look forward to this year's strategic planning meeting with the focus to be firmly on the proposed renovation of the downstairs area which has been planned to be finished by the 100 year celebration in 2022.

Our members are our greatest asset and your patronage has ensured the success of the Club. I look forward to seeing you all at the Annual General Meeting to be held on Sunday 17 September 2017 at 8:00am to 10:00am for voting and 10:00am for the meeting.

**David Blyth**  
**President**

## **Commodores Report 2017**

This year has been my first full year as Commodore - a roll that I have enjoyed immensely and in company with the President, Vice President and their wives, my wife and I have attended a number of Opening Days at other clubs.

Our own Opening Day will be held on Saturday 23<sup>rd</sup> September with the Official Guest Mr. Andrew Scipione OA, APM, who will formally open the boating season and then take part in the boat review on Kogarah Bay.

Late last year, in order to better reflect exactly what the sub-club did, St George Aquatic Club altered its name to St. George Powerboat Club. Led by Commodore Ian Bown, Vice Commodore Len Cave, and Rear Commodore Paul Wallington and their small band of committee members they conducted one of the better Spectacular race meetings for some years.

While boat numbers were down from bygone days, the renewed interest from interstate boats was a significant sign for better things to come. The live streaming of all events showed our racing around Australia and overseas as well as to the TV screens throughout the Club. Local boy Craig Bailey took out the prestigious Champion of Champions trophy, making it 11 wins for Bailey since he first won in 1984.

With the cooperation of the Board, the Powerboat Club obtained a new, faster rescue boat and this boat ensures the rescue team are quicker onto the scene of any on-water incident.

The 2018 Spectacular is scheduled to be held on 24 & 25 February, again being live streamed and in addition more than 10 club championships will include 3 Australian championship events.

Life & Veterans Day will take place a week prior, on Saturday 17 February with the doors opening at 12 noon.

My thanks to the club management and staff along with the other Board Members for any assistance I requested during the year.

*David Toyer*

**Commodore**

## **CEO Report 2017**

It is so pleasing to report to the members another record profit \$703,626.

This year will be the year of technology with some great advancements in members' benefits which will be industry leading. I hope our members see the benefit in the very near future.

Our achievement could not be obtained without the assistance of our administration team, led by Matthew Feening our Operations Manager, who is a great asset to the Club. My thanks to Sandra, Yvonne, and our reception staff.

The marina has once again performed admirably last year with occupancy and customer service and I would like thank Mark and Jerry.

The Functions Department also made a record profit in 2017 with thanks to Kellie and her team.

We have had some changes with our Duty Managers who are the face of our Club and do a tremendous job. Congratulations Glen, Charlie, Alex and Ben our relieving Manager.

The Café has gone from strength to strength and recorded a net profit last year of \$113,538 with a total of \$150,565 in member's discounts for the year. Well done Tiziano, Dennis and Sammi and the Café team for a fantastic result.

Our bar staff are some of the best in the industry, with their smiles and great service, which gives us that point of difference in the industry. Thanks.

I would like to thank Todd and Cucina Catering. We plan on refurbishing the restaurant this financial year. Well done Todd, Jemma, Blake and your capable staff.

Thanks to David Blyth our Club President, Ron Hinds our Vice President and the Board for their hard work over the past year, they put in a considerable amount of time and effort.

This year is looking even better than last year and I would sincerely like to thank our members for your loyal support of the St George Motor Boat Club. Thanks.

*Adrian Vermeulen*

**Chief Executive Officer**

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

**DIRECTORS' REPORT - 2017**

Your directors present this report on the company for the financial year ended 30 June 2017.

**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  
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.

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

**DIRECTORS' REPORT - 2017 (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, Building and Citation Committees

**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 and Citation Committees

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

**DIRECTORS' REPORT - 2017 (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 Citation 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



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

**DIRECTORS' REPORT - 2017 (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 Commodore**

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 Member of Building and Citation Committees

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

**DIRECTORS' REPORT - 2017 (Continued)**

**Meetings of Directors**

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

	<b>Directors' Meetings</b>	
	<b>Number Attended</b>	<b>Number Eligible to Attend</b>
David Blyth	10	12
Ron Hinds	10	12
Barry Barker	12	12
Leo Costa	9	12
Ross Gilholme	11	12
Adrian Morris	11	12
Gary Ridley	11	12
Matthew Robinson	11	12
David Toyer	10	12

**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, 31st July 2017

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

**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 2017 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**

31st July 2017

Suite 601  
74 Pitt Street  
SYDNEY NSW 2001

**STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30TH JUNE, 2017**

	<b>Note</b>	<b>2017</b> \$	<b>2016</b> \$
Revenue from Ordinary Activities	2	13,108,935	12,250,530
Employee Benefits Expense		3,527,043	3,181,307
Depreciation and Amortisation Expense		1,268,080	1,163,100
Interest and Borrowing Costs		304,381	330,299
Other Expenses from Ordinary Activities		7,258,637	6,792,050
		<hr/>	<hr/>
Current Year Surplus before Income Tax	3	750,794	783,774
Income Tax Expense	14	(47,167)	(95,692)
		<hr/>	<hr/>
Net Current Year Surplus		703,627	688,082
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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, 2017**

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	4	459,952	247,706
Trade and Other Receivables	5	464,219	318,067
Inventories	6	185,395	179,046
Other Current Assets	7	100,701	107,439
<b>TOTAL CURRENT ASSETS</b>		<b>1,210,267</b>	<b>852,258</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	8	20,147,609	20,014,481
Deferred Tax Asset	15	13,437	14,400
Intangible Assets	9	704,781	704,781
<b>TOTAL NON-CURRENT ASSETS</b>		<b>20,865,827</b>	<b>20,733,662</b>
<b>TOTAL ASSETS</b>		<b>22,076,094</b>	<b>21,585,920</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	10	2,079,301	1,743,384
Financial Liabilities	11	228,874	150,839
Short Term Provisions	12	356,376	348,481
Current Tax Liabilities	14	(2,190)	58,564
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,662,361</b>	<b>2,301,268</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and Other Payables	10	-	15,638
Financial Liabilities	11	5,161,615	5,696,105
Long Term Provisions	13	6,809	31,227
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>5,168,424</b>	<b>5,742,970</b>
<b>TOTAL LIABILITIES</b>		<b>7,830,785</b>	<b>8,044,238</b>
<b>NET ASSETS</b>		<b>14,245,309</b>	<b>13,541,682</b>

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, 2017**

	Note	2017 \$	2016 \$
<b>EQUITY</b>			
Retained Earnings		14,245,309	13,541,682
		14,245,309	13,541,682
<b>TOTAL EQUITY</b>		<b>14,245,309</b>	<b>13,541,682</b>

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30TH JUNE, 2017**

	Retained Surplus	Financial Assets Reserve	Total
	\$	\$	\$
<b>Balance at 1 July 2015</b>	12,853,600	-	12,853,600
<b>Comprehensive Income</b>			
Surplus for the year attributable to members of the entity	688,082		688,082
Other comprehensive income for the year	-	-	-
<b>Balance at 30 June 2016</b>	13,541,682	-	13,541,682
<b>Comprehensive Income</b>			
Surplus for the year attributable to members of the entity	703,627	-	703,627
Other comprehensive income for the year	-	-	-
<b>Balance at 30 June 2017</b>	14,245,309	-	14,245,309

The accompanying Notes form part of these Financial Statements

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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30TH JUNE, 2017**

	Note	2017 \$	2016 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from Members and Non-Members		11,842,528	10,603,017
Payments to Suppliers and Employees		(9,410,080)	(8,062,591)
Interest Received		1,715	6,475
Interest and Other Costs of Finance Paid		(304,381)	(330,299)
Income Tax Paid		(106,959)	(88,186)
		<hr/>	<hr/>
<b>Net Cash provided by Operating Activities</b>	<b>2</b>	<b>2,022,823</b>	<b>2,128,416</b>
		<hr/>	<hr/>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Property, Plant and Equipment		122,244	31,082
(Payment for Property), Plant and Equipment		(1,476,379)	(2,213,807)
Proceeds from Short Term Deposits		13	-
		<hr/>	<hr/>
<b>Net Cash (used in) Investing Activities</b>		<b>(1,354,122)</b>	<b>(2,182,725)</b>
		<hr/>	<hr/>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from Borrowings		237,416	453,692
Repayment of Borrowings		(693,871)	(543,830)
		<hr/>	<hr/>
<b>Net Cash (used in) Financing Activities</b>		<b>(456,455)</b>	<b>(90,138)</b>
		<hr/>	<hr/>
Net Increase/(Decrease) in Cash Held		212,246	(144,447)
Cash at beginning of year	1	247,706	392,153
		<hr/>	<hr/>
<b>CASH AT END OF YEAR</b>	<b>1</b>	<b>459,952</b>	<b>247,706</b>
		<hr/>	<hr/>

The accompany Notes form part of these financial statements

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

**NOTES TO AND FORMING PART OF THE STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30TH JUNE, 2017**

**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 :-

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Cash on Hand	120,000	120,000
Cash at Bank and in At Call Deposits with Financial Institutions	339,952	127,706
	459,952	247,706

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

Operating Profit after Income Tax	703,627	688,082
Non-Cash Flows in Operating Profit		
Depreciation & Amortisation	1,221,007	1,133,100
Increase/(Decrease) in Provisions	(16,523)	(9,289)
Increase/(Decrease) in Income Tax Payable	(60,755)	(596)
(Increase)/Decrease in Deferred Tax Asset	963	8,102
Changes in Assets and Liabilities		
(Increase)/Decrease in Trade and Other Debtors	(146,165)	(58,096)
(Increase)/Decrease in Inventories	(6,349)	(6,450)
(Increase)/Decrease in Prepayments	6,738	(63,182)
Increase/(Decrease) in Trade Creditors and Accruals	(367,140)	444,052
Increase/(Decrease) in Prepaid Marine Rentals	687,420	(7,307)
	<b>2,022,823</b>	<b>2,128,416</b>

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

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

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

The company is a not-for-profit entity and is primarily involved in the provision of facilities for motorboat racing and allied activities together with normal licensed club operations for its members and non-member visitors to the Company's facilities.

**Basis of Preparation**

**(a) Statement of Compliance**

In the opinion of the directors, the Company is not publicly accountable. The financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASBs) adopted by the Australian Accounting Standards Board (AASB), the Corporations Act 2001, the Registered Clubs Amendment Act 2006 and the Gaming Machines Tax Act 2001.

**(b) Basis of Measurement**

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.

**(c) Functional and Presentation Currency**

These financial statements are presented in Australian dollars which is the Company's functional currency.

**(d) Use of Estimates and Judgements**

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no judgements made by management in the application of Australian Accounting Standards that have a significant effect on the financial report or estimates with a significant risk of material adjustment in the next year.

**(e) New Accounting Standards for Application in Future Periods**

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the company. The company has decided not to early adopt any of the new and amended pronouncements. None of these are expected to have a significant impact on the financial statements of the company.



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

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES(Continued)**

**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.

**(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:

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

## **1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES(Continued)**

### **Accounting Policies**

#### **Property, Plant and Equipment (Continued)**

##### **(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)).

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.

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**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**

**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**  
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	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>5. TRADE AND OTHER RECEIVABLES</b>		
Trade Debtors (After Provision for Impairment - \$1,089 , 2016 - \$1,089)	330,623	256,153
Other Amounts Receivable	128,096	56,401
Short Term Deposits (a)	5,500	5,513
	<b>464,219</b>	<b>318,067</b>
(a) TAB hold a Security Deposit Guarantee of \$5,500 over the Short Term Deposit		
<b>6. INVENTORIES - CURRENT</b>		
Finished Goods – at Cost	<b>185,395</b>	<b>179,046</b>
<b>7. OTHER - CURRENT</b>		
Prepayments	100,701	107,439
	<b>100,701</b>	<b>107,439</b>

**THE ST. GEORGE MOTOR BOAT CLUB LIMITED**  
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**8. PROPERTY, PLANT AND EQUIPMENT**

	<b>Land</b>	<b>Buildings</b>	<b>Marina</b>	<b>Plant &amp; Equipment</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>COST</b>					
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)
<b>Balance 30 June 2016</b>	<b>9,270,000</b>	<b>4,633,279</b>	<b>7,910,552</b>	<b>8,072,919</b>	<b>29,886,750</b>
Balance 1 July 2016	9,270,000	4,633,279	7,910,552	8,072,919	29,886,750
Additions	-	327,664	16,913	1,131,802	1,476,379
Disposals	-	-	-	(895,087)	(895,087)
<b>Balance 30 June 2017</b>	<b>9,270,000</b>	<b>4,960,943</b>	<b>7,927,465</b>	<b>8,309,634</b>	<b>30,468,042</b>
<b>Depreciation and Impairment Losses</b>					
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)
<b>Balance 30 June 2016</b>	<b>-</b>	<b>959,314</b>	<b>3,472,247</b>	<b>5,440,708</b>	<b>9,872,269</b>
Balance 1 July 2016	-	959,314	3,472,247	5,440,708	9,872,269
Depreciation for Year	-	146,946	395,268	678,793	1,221,007
Disposals	-	-	-	(772,843)	(772,843)
<b>Balance 30 June 2016</b>	<b>-</b>	<b>1,106,260</b>	<b>3,867,515</b>	<b>5,346,658</b>	<b>10,320,433</b>
<b>Carrying Amount</b>					
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
<b>30 June 2017</b>	<b>9,270,000</b>	<b>3,854,683</b>	<b>4,059,950</b>	<b>2,962,976</b>	<b>20,147,609</b>

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.

	<b>2017</b>	<b>2016</b>
	\$	\$
<b>9. INTANGIBLE ASSETS</b>		
<b>Poker Machine Entitlements at Cost</b>		
Balance	704,781	704,781

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**  
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	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>10. TRADE AND OTHER PAYABLES</b>		
<b>CURRENT</b>		
Trade Creditors	284,134	694,849
Accrued Expenses	552,043	516,517
Other Creditors	478,647	470,598
15 Year Marina Rentals Prepaid	13,756	32,398
Annual Marina Rentals Prepaid	750,721	29,022
	<b>2,079,301</b>	<b>1,743,384</b>
<b>NON CURRENT</b>		
15 Year Marina Rentals Prepaid	-	15,638
<b>11. FINANCIAL LIABILITIES</b>		
<b>CURRENT</b>		
Hire Purchase Liability	228,874	150,839
	<b>228,874</b>	<b>150,839</b>
<b>NON-CURRENT</b>		
Loan – Commonwealth Bank Ltd (a)	4,900,000	5,400,000
Hire Purchase Liability	261,615	296,105
	<b>5,161,615</b>	<b>5,696,105</b>

(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**  
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	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>12. SHORT TERM PROVISIONS</b>		
Holiday Pay	232,040	263,302
Long Service Leave	124,336	85,179
	<b>356,376</b>	<b>348,481</b>
 <b>13. LONG TERM PROVISIONS</b>		
Long Service Leave	<b>6,809</b>	<b>31,227</b>
 <b>14. INCOME TAX</b>		
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.		
<b>Income Tax Expense</b>		
Income Tax Expense attributable to operating profit is made up of:		
Current Year Income Tax Provision	46,204	87,590
<b>Deferred Tax Benefit</b>		
Origination and reversal of temporary differences	963	8,102
	<b>47,167</b>	<b>95,692</b>
<b>Total Income Tax Expense in Income Statement</b>	<b>47,167</b>	<b>95,692</b>

**THE ST. GEORGE MOTOR BOAT CLUB LIMITED**  
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	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>15. DEFERRED TAX ASSETS</b>		
Provisions and Accruals (Asset)	53,059	62,731
Property Plant & Equipment (Liability)	(39,622)	(48,331)
	<b>13,437</b>	<b>14,400</b>

**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
	\$	\$	\$	\$	\$
<b>2017</b>					
<b>Finance Agreements</b>					
IGT System Installation and Software Upgrades Interest Free	131,882	131,882	263,764	-	263,764
<b>Hire Purchase Agreements</b>					
Motor Vehicle & Till System under Hire Purchase	89,004	120,174	209,178	14,794	194,384
<b>Equipment &amp; Leases</b>					
New Courtesy Bus #3	15,891	19,865	35,756	3,415	32,341
<b>TOTAL</b>	<b>236,777</b>	<b>271,921</b>	<b>508,698</b>	<b>18,209</b>	<b>490,489</b>
<b>2016</b>					
<b>Finance Agreements</b>					
IGT System Installation and Software Upgrades Interest Free	131,882	263,765	395,647	-	395,647
<b>Hire Purchase Agreements</b>					
Motor Vehicles under Hire Purchase Facility	5,345	-	5,345	762	4,583
<b>Equipment &amp; Leases</b>					
New Courtesy Bus #3	15,891	35,756	51,647	4,933	46,714
<b>TOTAL</b>	<b>153,118</b>	<b>299,521</b>	<b>452,639</b>	<b>5,695</b>	<b>446,944</b>

**THE ST. GEORGE MOTOR BOAT CLUB LIMITED**  
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	<b>2017</b>	<b>2016</b>
	\$	\$
<b>17. CAPITAL COMMITMENTS</b>		
Capital Expenditure Commitments	170,390	-
	<hr/>	<hr/>
<b>18. RELATED PARTY DISCLOSURE</b>		
(a) Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		
<b>- Director - related entities</b>		
Nil		
(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	15,750	
Industry Meetings/Conferences	10,643	
Honoraria - D Blyth	NIL	

**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.

	<b>2017</b>	<b>2016</b>
	\$	\$
Key management personnel compensation:		
- short term benefits	459,170	436,609
- post-employment benefits	-	-
	<hr/>	<hr/>
	459,170	436,609
	<hr/>	<hr/>

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

**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, 2017 the number of members was 22,822 (2016 – 19,759).

**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**

**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:

	2017			2016		
	Average	Maturity		Average	Maturity	
	effective interest	1 Year	over	effective interest	1 Year	Over
	rate	or less	1 year		or less	1 year
<b>Financial Assets</b>						
Cash on Hand and at Bank	0.6%	459,952	-	0.2%	247,706	-
Short Term Deposit	1.75%	5,500	-	2.2%	5,513	-
Receivables	0.00%	458,719	-	0.0%	312,554	-
Prepayments	0.00%	100,701	-	0.0%	107,439	-
		<u>          </u>	<u>          </u>		<u>          </u>	<u>          </u>
<b>Total Financial Assets</b>		<b>1,024,872</b>			<b>673,212</b>	<b>-</b>
		<u>          </u>	<u>          </u>		<u>          </u>	<u>          </u>
<b>Financial Liabilities</b>						
Trade Creditors and Accruals	0.00%	2,079,301	-	0.0%	1,743,384	-
Bank Loans	4.27%	-	4,900,000	4.335%	-	5,400,000
Hire Purchase Liability	3.00%	228,874	261,615	1.27%	150,839	296,105
		<u>          </u>	<u>          </u>		<u>          </u>	<u>          </u>
<b>Total Financial Liabilities</b>		<b>2,308,175</b>	<b>5,161,615</b>		<b>1,894,223</b>	<b>5,696,105</b>
		<u>          </u>	<u>          </u>		<u>          </u>	<u>          </u>

At 30<sup>th</sup> June 2017, 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**

**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.

**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 2017 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, 31st July 2017

## 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 2017, 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 2017 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, 31st July 2017

**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, 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>INCOME was derived from:-</b>		
<b>TRADING SURPLUS</b>		
Clubhouse Activities - Liquor	2,165,631	2,074,597
- Poker Machines	2,753,799	2,564,541
Members' Contributions - Subscriptions & Joining Fees	118,371	126,915
Rent Received - Marina and Slipway	1,917,240	1,857,289
Interest Received - Other Persons	1,715	6,475
Sundry Income	334,520	391,168
Catering Rent, Function & Café Income	2,140,104	1,943,942
Insurance Recoveries	-	27,422
Profit on Sale of Fixed Assets	47,073	30,000
	<b>9,478,453</b>	<b>9,022,349</b>

**THE COSTS OF OPERATING THE CLUB were:-**

**CLUBHOUSE OPERATIONS**

Wages - Bar, House and Marina	1,526,951	1,368,230
- Food/Cafe	876,630	801,702
Artists and Musicians	66,081	56,609
Bad Debts	-	1,159
Club Promotions	929,128	838,188
Contract Cleaning/Cleaning Wages	145,234	148,607
Counter Snacks	9,935	9,813
Flower and Decorations	10,004	9,623
Laundry and Cleaning	87,302	81,939
Light and Power	296,619	252,418
Repairs, Maintenance and Replacements	261,231	315,471
Sky Channel & Fox	57,901	54,538
Staff Meals and Amenities	24,554	26,913
Stock Control	4,601	8,222
Club Uniforms	14,746	11,680
	<b>4,310,917</b>	<b>3,985,112</b>

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

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30TH JUNE, 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>ADMINISTRATION</b>		
Advertising	97,688	128,748
Auditors' Remuneration - Audit	23,400	22,900
- Other Services	3,520	3,520
(The Auditors received no other benefits)		
Donations and Subscriptions	39,128	118,158
Entertainment	26,393	29,787
Honoraria	-	491
Insurance	189,297	189,714
Legal Fees	11,212	485
Long Service Leave	14,739	(18,585)
Motor Vehicle Expenses	15,582	16,541
Printing, Stationery and Postage	63,009	59,482
Repairs and Maintenance - Building and Grounds	195,934	178,732
Salaries	660,654	637,745
Security	80,971	79,411
Special Functions	16,480	21,147
Staff Training	14,518	8,805
Sundries	91,374	71,467
Superannuation	276,532	243,300
Telephone/Internet	46,227	30,866
	<b>1,866,658</b>	<b>1,822,714</b>
	<b>1,866,658</b>	<b>1,822,714</b>

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

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30TH JUNE, 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>LICENCES AND TAXES</b>		
Poker Machines	431,900	392,174
Payroll	142,741	127,854
Fringe Benefits Tax	60,058	11,207
Sundries	35,106	35,266
	<b>669,805</b>	<b>566,501</b>
Bank/Credit Card Charges/Borrowing Costs	69,590	49,906
Depreciation of Fixed Assets	1,268,080	1,163,100
Interest Paid - Other Persons	234,791	280,393
Provision for Holiday Pay	(31,262)	9,854
Rates and Marina Leasehold	339,080	360,995
	<b>8,727,659</b>	<b>8,238,575</b>
<b>TOTAL EXPENSES</b>		
<b>OPERATING PROFIT FOR THE YEAR</b>		
<b>Before Income Tax</b>	<b>\$ 750,794</b>	<b>\$ 783,774</b>