

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, 2018



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

Presidents Report

It is always a pleasure to present the President's Report on behalf of the Board of Directors, especially when we make record profits.

Our revenue from Ordinary Activities was up again, rose to \$14,407,156 up from \$13,108,935 up \$1,298,221 Bar Sales were \$3,402,467 up from \$3,191,293 up \$211,174. We made a record profit this year \$896,015 after tax up by \$192,388. We paid \$1,000,000 off the loan since the end of last year and before this year's AGM.

This year the Motor Boat Club provided its members with \$679,354 in member's benefits and discounts over the past financial years with membership topping over 29,000 during the period.

We are very proud of the Baybreeze Café with sales of \$2,153,959 up by \$395,088 up by 23% and a net profit for the year of \$197,939.

All of this was achieved with poker machines only contributing 23% of the total sales. This makes us one of the few unique clubs in the industry, not solely reliant on gaming.

This year we addressed the long standing power issues of the Club. We installed a new mains board, which will future proof the clubs power needs. In addition to this, we will be adding solar power, a new power factor correction unit and voltage optimiser, being in line with our Eco Policies.

The toilets were completed this year which look excellent, my thanks to Commodore David Toyer for his design concepts and assistance with construction. New furniture for the terrace has been ordered and we will refurbish the Captains Grill this year.

It is always great to post a record profit, of which we are now at three years in a row and I congratulate the CEO Adrian Vermeulen, Management and Staff to provide such results.

Please see our revised Strategic Plan which is posted around the club for member's consideration with exciting times ahead. Planning is intensifying for our 100 celebration in 2020.

Our members ensured the success of the Club and thanks for your support. I look forward to seeing you all at the Annual General Meeting, to be held on Sunday 16 September 2018 from 8:00am to 10:00am for voting and 10:00am for the meeting.

David Blyth

President

CEO Report

I am pleased to report to the members, another record profit of \$896,015 up \$192,388 on last year an increased profit of 27%.

To be the industry leaders in technology, we have had to undergo some changes and technical issues along the way and we thank our members for persevering. In saying that, our members benefits/discounts have increased this year by \$239,909 up by 55%.

I have a fantastic administration team, my thanks to Matthew Feening our Operations Manager our new Administration Manager Deb with the assistance of Yvonne and our reception staff.

I am now able to report that the marina is full of permanent desirable members and is in perfect shape with thanks to Mark, Ben and Scottie.

Our Function Manager Kellie is off on maternity leave and we wish her all the best. With some changes in the department, I welcome Georgia who leads our new look Functions Department, with a new Kellie, Stella and soon to move on Rachael.

I would like to thank our Duty Managers who do a fantastic job. Congratulations Glen, Charlie, Alex and Michele our relieving Manager.

The Café has recorded another record net profit this year of \$197,939 up \$84,400 on last year, 74% up. Well done Tiziano, Dennis, 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, with the refurbishment to start on 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, David Toyer our Commodore and the Board for their support, hard work and the considerable amount of time they put in for the service of the Club.

Thanks must go to 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

Commodores Report

As your Commodore, I have during the past season, along with the President and our wives, attended opening days at Kuring-gai Motor Yacht Club, Royal Motor Yacht Clubs Port Hacking, Broken Bay and Rose Bay. Our own Opening Day for the 2018/19 season will be held on Saturday 22nd September 2018 with the Official Guest of Honour being the Commissioner of Marine Rescue Mr. Stacey Tannos who will formally open the boating season and then take part in the boat review on Kogarah Bay. I take this opportunity to thank all the members who have made their boats available to take guests out on the water during the afternoon.

The 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 did not have many race meetings to organise this year with most of the club days being called off due to poor commitment by boat teams.

On the other hand, the first day of the February Speedboat Spectacular, the Junior championship day and the postponed portion of the February Spectacular conducted in June, were well supported and again attended by some boats from interstate. Apart from the blown out second day in February, all of the major race days were blessed with ideal weather and great water conditions.

Chris Hearn's 6 litre displacement XPLICIT was way too good in just about all the events they contested at the Spectacular, winning 5 championships as well as the prestigious Champion of Champions. The outboard tunnels and inboard hydro just had no answer for the speed and acceleration of XPLICIT in this event.

The live streaming of all major race days was even better than last year, and has set a standard that many other clubs are endeavouring to match. With the Live Streaming shown on the TV screens throughout the club, members and guests had a front row seat to all the racing action and driver interviews.

I doubt that anyone watching had expected to see such a close up and detailed coverage of the incident at the far end of the course that destroyed the Kilpatrick family's MELODEE on the last lap of the 5 litre Waggott Championship. This was a heartbreaking incident for the Kilpatricks as they just about had their name engraved on this most keenly contested championship for another year.

The 2018/19 Spectacular is scheduled to be held on 23rd & 24th February 2019, and again will be live streamed for all of the 10 club championships and 2 Australian championship events.

Life & Veterans Day will take place a week prior, on Saturday 16th February with the doors opening at 12 noon. My thanks to the club management and staff along with the other Board Members for all the assistance I received during the year.

David Toyer
Commodore

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

DIRECTORS' REPORT - 2018

Your directors present this report on the company for the financial year ended 30 June 2018.

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
Leonard Cave (Appointed September 2017)
Leo Costa
Ross Gilholme
Christopher Hoban (Appointed May 2018)
Matthew Robinson
David Toyer
Adrian Morris (Retired May 2018)
Gary Ridley (Retired September 2017)

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 - 2018 (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 since 2013; 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 2018. Director and Member of Board's Finance Committee from 2001 to 2006 and 2008 to 2018.
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 - 2018 (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 Director of the Club since 2013. 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.

Leonard Roy Cave

Qualifications

Experience Joined the Club in 1987 and was an active member with the Game Fishing Club until 1996. Between 1996 and 2008 was involved in high profile motor racing around Australia and overseas. Re-joined the Club in 2008 and became involved with the boat racing and cruising section. Became Vice Commodore of the Power Boat Club in 2015 and still holds that position. Was elected to the Board in 2017. Leonard's time is split between the positions of Director of the Motor Boat Club, Vice Commodore of the Power Boat Club, organising race events and spectaculars. He works with the APBA on the Junior Program. Trained as a fitter and turner and toolmaker followed by motor mechanics and panel beating. Leonard ran the family Fruit Agency business at Flemington Markets then had his own truck and car repair business, skip bin trucks, motor wreckers and retails stores and is now working in the metal recycling business.

Special Responsibilities Member of Power Boat Racing 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 Director of the Club since 2013. 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

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

DIRECTORS' REPORT - 2018 (Continued)

Christopher Roy Hoban (Appointed May 2018)

Qualifications

Experience Joined the Club in 1999 and elected to the Board in May 2018 and has been President of St George Motor Boat Club Fishing Club since 2010. Managing Director of Surry Office National Pty Ltd for 33 years being a supplier of office products and furniture. Current Director of Office Brands Limited for 12 years.

Matthew Joseph Robinson

Qualifications Qualified Engineer.

Experience Joined the Club in 1986 and Director of the club since 2013. 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 1968 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

Adrian John Morris (Retired May 2018)

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 - 2018 (Continued)

Gary John Ridley (Retired from Board September 2017)

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 2017. Member of Board's Finance Committee from 2013 to 2017. 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

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	14	14
Ron Hinds	12	14
Barry Barker	14	14
Leonard Cave (Appointed September 2017)	10	12
Leo Costa	12	14
Ross Gilholme	10	14
Christopher Hoban (Appointed May 2018)	1	1
Matthew Robinson	11	14
David Toyer	10	14
Adrian Morris (Retired May 2018)	7	12
Gary Ridley (Retired September 2017)	2	2

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, 30th July 2018

**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 2018 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

30th July 2018

Suite 601
74 Pitt Street
SYDNEY NSW 2001

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

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE, 2018

	Note	2018 \$	2017 \$
Revenue from Ordinary Activities	2	14,407,156	13,108,935
Employee Benefits Expense		3,605,714	3,527,043
Depreciation and Amortisation Expense		1,310,787	1,268,080
Interest and Borrowing Costs		269,437	304,381
Other Expenses from Ordinary Activities		8,281,453	7,258,637
		<hr/>	<hr/>
Current Year Surplus before Income Tax	3	939,765	750,794
Income Tax Expense	14	(43,750)	(47,167)
		<hr/>	<hr/>
Net Current Year Surplus		896,015	703,627
		<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, 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	4	927,375	459,952
Trade and Other Receivables	5	342,406	464,219
Inventories	6	177,903	185,395
Other Current Assets	7	96,319	100,701
TOTAL CURRENT ASSETS		1,544,003	1,210,267
NON-CURRENT ASSETS			
Property, Plant and Equipment	8	20,256,631	20,147,609
Deferred Tax Asset	15	8,039	13,437
Intangible Assets	9	704,781	704,781
TOTAL NON-CURRENT ASSETS		20,969,451	20,865,827
TOTAL ASSETS		22,513,454	22,076,094
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	10	2,335,632	1,987,458
Financial Liabilities	11	4,622,296	228,874
Short Term Provisions	12	286,616	356,376
Current Tax Liabilities	14	(5,698)	(2,190)
TOTAL CURRENT LIABILITIES		7,238,846	2,570,518
NON-CURRENT LIABILITIES			
Trade and Other Payables	10	87,806	91,843
Financial Liabilities	11	39,318	5,161,615
Long Term Provisions	13	6,160	6,809
TOTAL NON-CURRENT LIABILITIES		133,284	5,260,267
TOTAL LIABILITIES		7,372,130	7,830,785
NET ASSETS		15,141,324	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

A Company Limited by Guarantee
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE, 2018

	Note	2018	2017
		\$	\$
EQUITY			
Retained Earnings		15,141,324	14,245,309
		<hr/>	<hr/>
TOTAL EQUITY		15,141,324	14,245,309
		<hr/>	<hr/>

The accompanying Notes form part of these Financial Statements

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE, 2018

	Retained Surplus	Financial Assets Reserve	Total
	\$	\$	\$
Balance at 30 June 2016	13,541,682	-	13,541,682
Comprehensive Income			
Surplus for the year attributable to members of the entity	703,627	-	703,627
Other comprehensive income for the year	-	-	-
Balance at 30 June 2017	14,245,309	-	14,245,309
Balance at 1 July 2017	14,245,309	-	14,245,309
Comprehensive Income			
Surplus for the year attributable to members of the entity	896,015	-	896,015
Other comprehensive income for the year	-	-	-
Balance at 30 June 2018	15,141,324	-	15,141,324

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, 2018

	Note	2018 \$	2017 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Members and Non-Members		12,354,693	11,842,528
Payments to Suppliers and Employees		(9,491,109)	(9,410,080)
Interest Received		2,517	1,715
Interest and Other Costs of Finance Paid		(269,437)	(304,381)
Income Tax Paid		(41,860)	(106,959)
		_____	_____
Net Cash provided by Operating Activities	2	2,554,804	2,022,823
		_____	_____
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property, Plant and Equipment		65,932	122,244
(Payment for Property), Plant and Equipment		(1,424,438)	(1,476,379)
Proceeds from Short Term Deposits		-	13
		_____	_____
Net Cash (used in) Investing Activities		(1,358,506)	(1,354,122)
		_____	_____
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		-	237,416
Repayment of Borrowings		(728,875)	(693,871)
		_____	_____
Net Cash (used in) Financing Activities		(728,875)	(456,455)
		_____	_____
Net Increase/(Decrease) in Cash Held		467,423	212,246
Cash at beginning of year	1	459,952	247,706
		_____	_____
CASH AT END OF YEAR	1	927,375	459,952
		_____	_____

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, 2018

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 :-

	2018	2017
	\$	\$
Cash on Hand	120,000	120,000
Cash at Bank and in At Call Deposits with Financial Institutions	807,375	339,952
	927,375	459,952

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

Operating Profit after Income Tax	896,015	703,627
Non-Cash Flows in Operating Profit		
Depreciation & Amortisation	1,232,106	1,221,007
Increase/(Decrease) in Provisions	(54,120)	(16,523)
Increase/(Decrease) in Income Tax Payable	(3,508)	(60,755)
(Increase)/Decrease in Deferred Tax Asset	5,398	963
Changes in Assets and Liabilities		
(Increase)/Decrease in Trade and Other Debtors	122,902	(146,165)
(Increase)/Decrease in Inventories	7,492	(6,349)
(Increase)/Decrease in Prepayments	4,382	6,738
Increase/(Decrease) in Trade Creditors and Accruals	284,344	(367,140)
Increase/(Decrease) in Prepaid Marine Rentals	59,793	687,420
	2,554,804	2,022,823

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, 2018

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.

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, 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

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:

	Depreciation Rate
Marina	5.0%
Buildings	2.5%
Plant and Equipment	5 - 33.33%
Poker Machines	14.29 - 33.33%

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, 2018

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.

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, 2018

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.

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, 2018

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, 2018

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, 2018

	2018 \$	2017 \$
2. REVENUE		
Turnover from Trading Activities	9,571,075	8,638,730
Other Operating Revenue:-		
Interest Received	2,517	1,715
Members' Subscriptions and Joining Fees	106,511	118,371
Rent Received	2,037,216	1,917,240
Sundry Income	256,019	245,702
Catering Rent, Function & Café Income	2,355,137	2,140,104
Profit on Sale of Fixed Assets	78,681	47,073
	14,407,156	13,108,935
3. OPERATING PROFIT		
The operating profit before income tax is arrived at after charging and crediting the following specific items:		
Charges:		
Auditors' Remuneration - Audit	22,400	23,400
- Other Services	960	3,520
Depreciation	1,310,787	1,268,080
Honoraria	-	-
Interest Paid - Other Persons	224,185	234,791
Provision for Holiday Pay	(63,284)	(31,262)
Provision for Long Service Leave	10,253	14,739
Provision for Bad Debts	(1,089)	-
Credits:		
Interest Received - Other Persons	2,517	1,715
Profit on Sale of Fixed Assets	78,681	47,073
4. CASH AND CASH EQUIVALENTS		
Cash on Hand	120,000	120,000
Cash at Bank	807,375	339,952
	927,375	459,952
	927,375	459,952

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, 2018

	2018	2017
	\$	\$
5. TRADE AND OTHER RECEIVABLES		
Trade Debtors (After Provision for Impairment - \$Nil , 2017 - \$1,089)	258,145	330,623
Other Amounts Receivable	78,761	128,096
Short Term Deposits (a)	5,500	5,500
	342,406	464,219
(a) TAB hold a Security Deposit Guarantee of \$5,500 over the Short Term Deposit		
6. INVENTORIES - CURRENT		
Finished Goods – at Cost	177,903	185,395
7. OTHER - CURRENT		
Prepayments	96,319	100,701
	96,319	100,701

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, 2018

8. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Marina	Plant & Equipment	Total
	\$	\$	\$	\$	\$
COST					
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)
Balance 30 June 2017	9,270,000	4,960,943	7,927,465	8,309,634	30,468,042
Balance 1 July 2017	9,270,000	4,960,943	7,927,465	8,309,634	30,468,042
Additions	-	424,176	-	1,000,262	1,424,438
Disposals	-	-	-	(353,834)	(353,834)
Balance 30 June 2018	9,270,000	5,385,119	7,927,465	8,956,062	31,538,646
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)
Balance 30 June 2017	-	1,106,260	3,867,515	5,346,658	10,320,433
Balance 1 July 2017	-	1,106,260	3,867,515	5,346,658	10,320,433
Depreciation for Year	-	146,964	395,268	689,874	1,232,106
Disposals	-	-	-	(270,524)	(270,524)
Balance 30 June 2018	-	1,253,224	4,262,783	5,766,008	11,282,015
Carrying Amount					
30 June 2016	9,270,000	3,673,965	4,438,305	2,632,221	20,014,481
30 June 2017	9,270,000	3,854,683	4,059,950	2,962,976	20,147,609
30 June 2018	9,270,000	4,131,895	3,664,682	3,190,054	20,256,631

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.

	2018	2017
	\$	\$
9. INTANGIBLE ASSETS		
Poker Machine Entitlements at Cost		
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
A.C.N. 000 020 575

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2018

	2018	2017
	\$	\$
10. TRADE AND OTHER PAYABLES		
CURRENT		
Trade Creditors	623,956	284,134
Accrued Expenses	479,558	552,043
Other Creditors	407,848	386,804
15 Year Marina Rentals Prepaid	-	13,756
Annual Marina Rentals Prepaid	824,270	750,721
	2,335,632	1,987,458
NON CURRENT		
Other Creditors	87,806	91,843
11. FINANCIAL LIABILITIES		
CURRENT		
Hire Purchase Liability	222,296	228,874
Loan – Commonwealth Bank Ltd (a)	4,400,000	-
	4,622,296	228,874
NON-CURRENT		
Loan – Commonwealth Bank Ltd (a)	-	4,900,000
Hire Purchase Liability	39,318	261,615
	39,318	5,161,615
(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, 2018

	2018	2017
	\$	\$
12. SHORT TERM PROVISIONS		
Holiday Pay	168,756	232,040
Long Service Leave	117,860	124,336
	286,616	356,376
13. LONG TERM PROVISIONS		
Long Service Leave	6,160	6,809
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	38,352	46,204
Deferred Tax Benefit		
Origination and reversal of temporary differences	5,398	963
	43,750	47,167
Total Income Tax Expense in Income Statement	43,750	47,167

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, 2018**

	2018	2017
	\$	\$
15. DEFERRED TAX ASSETS		
Provisions and Accruals (Asset)	35,674	53,059
Property Plant & Equipment (Liability)	(27,635)	(39,622)
	8,039	13,437

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
	\$	\$	\$	\$	\$
2018					
Finance Agreements					
IGT System Installation and Software Upgrades Interest Free	131,882	-	131,882	-	131,882
Hire Purchase Agreements					
Motor Vehicle & Till System under Hire Purchase	81,715	38,459	120,174	8,409	111,765
Equipment & Leases					
New Courtesy Bus #3	15,891	3,973	19,864	1,897	17,967
TOTAL	229,488	42,432	271,920	10,306	261,614
2017					
Finance Agreements					
IGT System Installation and Software Upgrades Interest Free	131,882	131,882	263,764	-	263,764
Hire Purchase Agreements					
Motor Vehicle & Till System under Hire Purchase	89,004	120,174	209,178	14,794	194,384
Equipment & Leases					
New Courtesy Bus #3	15,891	19,865	35,756	3,415	32,341
TOTAL	236,777	271,921	508,698	18,209	490,489

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, 2018

	2018	2017
	\$	\$
17. CAPITAL COMMITMENTS		
Capital Expenditure Commitments	-	170,390
	<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

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	18,323
Industry Meetings/Conferences	14,980
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.

	2018	2017
	\$	\$
Key management personnel compensation:		
- short term benefits	422,079	459,170
- post-employment benefits	-	-
	<hr/>	<hr/>
	422,079	459,170
	<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, 2018

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, 2018 the number of members was 28,013 (2017 – 22,822).

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, 2018

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:

	2018			2017		
	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	0.3%	927,375	-	0.6%	459,952	-
Short Term Deposit	2.15%	5,500	-	1.75%	5,500	-
Receivables	0.00%	336,906	-	0.00%	458,719	-
Prepayments	0.00%	96,319	-	0,00%	100,701	-
		<hr/>			<hr/>	<hr/>
Total Financial Assets		1,366,100			1,024,872	-
		<hr/>	<hr/>		<hr/>	<hr/>
Financial Liabilities						
Trade Creditors and Accruals	0.00%	2,335,632	87,806	0.00%	1,987,458	91,843
Bank Loans	4.28%	4,400,000	-	4.27%	-	4,900,000
Hire Purchase Liability	3.00%	222,296	39,318	3.00%	228,874	261,615
		<hr/>	<hr/>		<hr/>	<hr/>
Total Financial Liabilities		6,957,928	127,124		2,216,332	5,253,458
		<hr/>	<hr/>		<hr/>	<hr/>

At 30th 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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2018

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 2018 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, 30th July 2018

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 2018, 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 2018 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, 30th July 2018

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, 2018

	2018	2017
	\$	\$
INCOME was derived from:-		
TRADING SURPLUS		
Clubhouse Activities - Liquor	2,383,726	2,165,631
- Poker Machines	3,007,911	2,753,799
Members' Contributions - Subscriptions & Joining Fees	106,511	118,371
Rent Received - Marina and Slipway	2,037,216	1,917,240
Interest Received - Other Persons	2,517	1,715
Sundry Income	282,402	334,520
Catering Rent, Function & Café Income	2,355,137	2,140,104
Profit on Sale of Fixed Assets	78,681	47,073
	10,254,101	9,478,453

THE COSTS OF OPERATING THE CLUB were:-

CLUBHOUSE OPERATIONS

Wages - Bar, House and Marina	1,522,368	1,526,951
- Food/Cafe	987,938	876,630
Artists and Musicians	63,677	66,081
Bad Debts	14,752	-
Club Promotions	1,171,722	929,128
Contract Cleaning/Cleaning Wages	168,565	145,234
Counter Snacks	11,885	9,935
Flower and Decorations	10,432	10,004
Laundry and Cleaning	52,470	87,302
Light and Power	317,012	296,619
Repairs, Maintenance and Replacements	332,946	261,231
Sky Channel & Fox	66,273	57,901
Staff Meals and Amenities	47,665	24,554
Stock Control	860	4,601
Club Uniforms	11,906	14,746
	4,780,471	4,310,917

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

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE, 2018

	2018	2017
	\$	\$
ADMINISTRATION		
Advertising	78,871	97,688
Auditors' Remuneration - Audit	22,400	23,400
- Other Services	960	3,520
(The Auditors received no other benefits)		
Cyber Fraud Loss	142,656	-
Donations and Subscriptions	36,720	39,128
Entertainment	33,302	26,393
Insurance	210,017	189,297
Legal Fees	6,908	11,212
Long Service Leave	10,253	14,739
Motor Vehicle Expenses	7,418	15,582
Printing, Stationery and Postage	60,663	63,009
Repairs and Maintenance - Building and Grounds	170,077	195,934
Salaries	677,190	660,654
Security	83,558	80,971
Special Functions	21,096	16,480
Staff Training	14,825	14,518
Sundries	52,093	91,374
Superannuation	299,797	276,532
Telephone/Internet	42,755	46,227
	1,971,559	1,866,658

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

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE, 2018

	2018	2017
	\$	\$
LICENCES AND TAXES		
Poker Machines	479,836	431,900
Payroll	157,399	142,741
Fringe Benefits Tax	14,053	60,058
Sundries	50,406	35,106
	701,694	669,805
Bank/Credit Card Charges/Borrowing Costs	46,252	69,590
Depreciation of Fixed Assets	1,310,787	1,268,080
Interest Paid - Other Persons	224,185	234,791
Provision for Holiday Pay	(63,284)	(31,262)
Rates and Marina Leasehold	342,672	339,080
	9,314,336	8,727,659
OPERATING PROFIT FOR THE YEAR		
Before Income Tax	\$ 939,765	\$ 750,794