



# 112<sup>th</sup> Annual Report & Statement of Accounts for 2018 - 2019



***“ERIC’S STORAGE”  
Club Champion 2018 - 2019***

## **President's Report**

Despite not hosting any regattas for the past 12 months I am pleased to say that the Club has enjoyed a particularly successful year and we find ourselves well positioned heading into the foreseeable future. After nearly 10 years of toing and froing, in December 2018, the Department of Industry – Crown Lands finally accepted the Club's reasoning and effectively wrote off nearly \$775,000.00 in rent arrears and interest that the Club had argued didn't apply and that should never have been charged under the terms of the Club's lease. This is a very satisfying outcome and a huge relief to the Board and will most certainly enable us to better plan for the future financial security of the Club. Whilst negotiations with the Department continue with respect to future rents, discussions are progressing positively, and we fully expect a satisfactory outcome over the next several months.

As mentioned in last year's report, Mosman Council continued with their beautification works for the Spit East area and these works have just recently been completed adding to the rectification of the foreshore that was completed last year. I am sure everyone would agree that the front of the Club and its surrounds are vastly improved and the addition of parking and loading zones close by will be a benefit to members moving forward.

Within the building, recent visitors to the Club will have noticed that the entire floor throughout has been replaced. After nearly 10 years of wear and tear the old flooring simply had to go and the replacement has given the place a new lease of life and looks brilliant and fresh.

I am delighted to say that the Deck Bar area has gone from strength to strength since the advent of the marquee and now provides a significant income stream to the Club which was not a resource previously available to us. It is great to see so many members and their guests taking advantage of this waterside space for their parties and gatherings.

In the Bar and Bistro, Martin Rak and his team have worked hard all year to provide us with an excellent service and I think the fact we have so little staff turnover is indicative of just what a great place the Club is to work. Of course, Martin is ably supported by Bikky and his team in the kitchen and the consistency of quality dishes being presented is reflected in the high number of repeat visits to the Club by members and guests.

Entering the new financial year, the Club welcomes Mrs. Karen Frost in the role of Operations Manager. Karen has vast experience in club and event management and will work alongside Mark administering the day to day operations of the Club and assisting members with their bookings and inquiries with respect to functions. Karen's role, amongst other things, will extend to promoting and coordinating Club events during the year working closely with the Bar & Bistro team. Please make her feel very welcome when you get the opportunity.

As always the Club would not function without the efforts of Mark and Sheelagh in the office and the dedication of a Board that is consistently seeking to advance the Club's financial position and maintain the focus for a long term and viable future. As President it has been a pleasure working with them all to ensure our continued success and I thank them for their input, support and at times, when necessary, constructive criticisms!

It is hard to believe that it is 10 years since the Club joined forces with Zest Waterfront venues to redevelop the site and create what can only be described as one of Sydney's best waterfront venues. We have had our ups and downs over the years, as in any partnership, but I think it very safe to say that overall the arrangement has been an outrageous success and I would particularly like to acknowledge Mr. Raphael Kahn, the owner of Zest, for his vision and determination to make the relationship work. The next sailing season will soon be upon us and we will cast off the pall of winter and get back to that which we really enjoy that is skiff sailing on Middle Harbour. I look forward to catching up with everyone during the summer months to come.

Peter Tinworth  
**President**

## **Treasurer's Report**

Coming down from a year that included hosting the skiff nationals last year, this year's financial performance sees us continue our stepped growth to financial security. This year we turned a profit of \$76,177, up 128%.

This year we saw a decrease in our total operating revenue of 8%, which was mainly based on a 10% decrease in bar / bistro sales. This drop in sales is in large part due to last year's Skiff Nationals anomaly. In a similar vein, sponsorship revenue was down \$30k on last year, again due to the Skiff Nationals. A new revenue source for the Club this year was events hosted on the deck, which were popular and had very positive feedback. As predicted last year, membership revenue was up 8% this year, due mainly to the rolloff of 3 year memberships and members re-signing.

On a positive note, together with a reduction in revenue, we also saw a decrease in our overall expenses, down 20%, including a 28% decrease in sailing expenses. This is substantially due to last year's spend on running the Skiff Nationals. Our insurance premiums rose through the year by 15% and wages were up 12%. The management fee paid to Zest was down significantly due to a reduction in their events through the year. We hope this will turnaround for Zest this year, to ensure our relationship continues to be win-win.

This year saw a 10% increase in our cash position, up \$20k on last year. We have been rearranging cash into term deposits to increase our investment returns, and have been able to continue to add to this investment capital.

During the financial year, our rent arrears issue with the Department of Industry – Lands was resolved, with the Department waiving rent arrears and fines in accordance with communications received from the Department 2 years prior. On this basis, we have removed the \$40k provision for rent in arrears from the balance sheet. A big congratulations goes to the persistence of Mark Willson and President Tinworth for the tireless effort that spanned 10 years.

Thanks to those of you who made tax deductible donations to the Club this year. This helps get more people into sailing, replacing aging equipment and ensuring the sailing experience is top shelf for all involved. These sailing operations of the Club is a priority for the Board, providing coaching, representative support and prizemoney for sailors.

Our members are spoilt for choice with a range of dining and beverages options, teamed with locations including indoor, outdoor and deck-based seating. We have an exquisite location, newly renovated premises and a casual yet classy atmosphere. Introduce a friend to the Club, book a deck-based event, or come down and watch the excitement of 13 and 16 foot skiff racing on a Saturday afternoon. Help keep your Club alive, and continue to help keep the oldest skiff sailing club providing a strong sailing pathway for juniors and seniors alike.

Phil Ramsay  
**Treasurer**

## **Commodore's Report**

The 2018/19 sailing season was a relatively sedate affair following the hard work and effort that went into hosting the 16' Skiff National Championship the prior year. I believe our team of volunteers thoroughly earned the rest and am sure they are fully recovered and rearing to go for the forthcoming summer! As usual, a Club such as ours relies on its volunteers to support its sailing program and I would like to take the opportunity to thank each and every one of them for their continued efforts.

On behalf of the sailors, thanks also to the Club Board for their support of the junior and senior sailing program and to the Bar & Bistro staff for looking after and refreshing all of us after a hard day on the water!

The sailors at both a senior and junior level all enjoyed a successful 2018/19 season with a highlight being "Eric's Storage" 2<sup>nd</sup> place in the Australian 16' Skiff Sprint Championship hosted by Belmont Skiff Club on Lake Macquarie in February. Both our Skiff and Flying 11 fleets travelled this year for their National Championships and all did the Club proud both on and off the water with their respectful attitude and sportsmanship.

Congratulations to all our Club Champions in their respective classes and to all the winners of the other series conducted during the season but, most importantly, congratulations to everyone for simply turning up, competing and having a go.

The future of sailing at the Club is looking great and I am particularly delighted that Bendigo Bank Mosman Branch have come onboard as our junior sponsor providing new sails for our learn to sail fleet and helping with the cost of providing coaching to the kids. Please try and support all our sponsors where you can as they so kindly support our endeavours.

Mark Willson, skiff sailor, Club General Manager and forward thinker, initiated a "try 16 sailing" program at the end of the season as a first for the Club. With a detailed plan and the support of various skiff owners Mark was able to recruit 8 novice skiff sailors into his program for the 5 week course. The result is that the Club has an additional skiff in its fleet for season 2019/20 and 5 new crew eager to get on a 16. Mark deserves huge kudos for coming up with the idea and driving it to a successful conclusion and we welcome these new sailors to the Club.

Season 2019/20 sees the Club hosting a round of the Flying 11 NSW State Championship in November and between Christmas and New Year we host the Manly Junior Australian Championship for the first time in a number of years. These regattas will again see our volunteers put to the test but I am quite sure they will rise to the occasion as always and provide wonderful events for all the young sailors and their families.

In closing I think it important to acknowledge the wonderful camaraderie and friendship that is core to sailing at MH16's. It is never too much trouble to help each other out, or offer advice to those that need it, and I believe this is what makes our Club such an enjoyable place to sail.

I would like to wish all our sailors the very best for the upcoming season and may you see great results for your efforts on the water.

Philip West  
**Commodore**

## **16 FOOT SKIFF RESULTS**

### **Club Championship**

1st	Eric's Storage	H. Lawson
2nd	Shead	M. Sorensen
3rd	Kamikaze	R. Williams

### **Crews Trophy**

1st	Kamikaze	R. Williams
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### **Sprint Series**

1st	Eric's Storage	H. Lawson
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### **Pointscore**

1st Overall	Pilates Works	J. Sharp
1st Half Winner	Kamikaze	R. Williams
2nd Half Winner	BOATec	R. Size

### **Old Buffers Race**

1st	The Package	D. Spring
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## **CLUB AWARDS**

**Andrew Short "Spirit of Sailing"**      Phil Jenkins

**Twiggy**      Neil Richardson

## **JUNIOR SAILING CLUB CHAMPIONS**

**Flying 11**      "Kick It 'n' rip It" Peggy Stanbury and Avril Richardson

# **Junior President's Report**

This season's sailing at MH16SC had mixed results for junior sailors and the Club.

## **Poppies:**

For the Opti program we had a successful season. Crowded sessions became more organised as kids and their parents gradually learned how to sail, operate and contribute in the Club environment. Many kids benefited from the free learning experience, and I believe that the "have a go for free" approach is worth continuing into the next season, as it generated participation which created a base of sailors, many of whom are returning this year to take on the next challenge.

Having moved away from Australian Sailing's "Tackers" format of teaching last season, we were lucky to have a few parents who are sailors themselves, who took an interest and helped with the training, boat maintenance and running of the sessions as they were able. As a result we were able to offer a tailored experience for the kids, and from parents who's junior sailors had participated in both our Club sailing and Tackers, we received very positive comparison about their children's sailing development. We have a good retention rate of these junior sailors moving forward into the next season.

For the coming season we are planning to continue along the same path, but implement the learnings from 2019 and we are already at maximum capacity for enrolments.

## **Manly Juniors:**

Our Manly Junior fleet did not have a successful season in 2018/19. At the end of 2018 we saw our most experienced MJ sailors move up to Flying 11's, and without a strong lead boat in the fleet the younger crews struggled for direction. Add to this some extreme weather in the first half of the season, we scared some sailors to the point where they did not want to continue. With a depleted fleet, we did not always have enough boats to hold the races, and therefore failed to complete the Club Champ and Pointscore series.

This season is for rebuilding our MJ's. Our new approach will be to run only training for the first 6 weeks of the season. This way we will be able to control the sailors' experience, while building their confidence before throwing them at full size courses. We have developed a structured curriculum that should see them move into the second quarter knowing how to handle their boats in every situation. We will also limit their exposure to the harshest weather.

## **Flying 11's:**

Last year was certainly an enjoyable one for the followers of our F11 fleet. They have reached a stage of maturity where they are easy to teach, look after themselves and their gear and have really started to take control of sailing their boats. A torrid Nationals series in Port Stephens sorted them out, and in the second half of the season they were hungry for any tips to improve their performance.

Our F11 fleet is now at a stage where we would consider most of the skippers seniors in the State and National Fleets. This will lead to another generational change at the end of this coming season. However we see that for the coming season many have picked up several small crews (some of whom are also sailing MJ's) who will learn from them and hopefully form the next F11 fleet.

We are looking forward to a great season in 2019/20, with the number of junior sailors steadily growing. Thanks so much to President Pete Tinworth and Commodore Phil West for the constant support and encouragement throughout the year, and thanks to the senior sailors for the swags and juniors in 16's day which continues to be a highlight of the season for junior sailing.

Matt Stanbury  
**Junior President**

# **The Middle Harbour 16ft Skiff Sailing Club**

**ABN 68 000 537 057**

## **The Financial Reports**

**For the year ended June 30, 2019**

*Meagher Howard & Wright  
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## REPORT OF THE DIRECTORS

The Directors present their report together with financial report of The Middle Harbour 16ft Skiff Club for the year ended 30 June 2019 and the auditor's report thereon.

### **DIRECTORS AND INFORMATION ON DIRECTORS:**

The names of the Directors of the Club at any time during or since the end of the financial year are:

<b>DIRECTORS</b>	<b>POSITION</b>	<b>OCCUPATION</b>	<b>BOARD</b>	
			<b>A</b>	<b>B</b>
Peter Tinworth	President	Company Director	11	11
Phil West	Commodore	Company Director	9	11
Phillip Ramsay	Treasurer	Electrical Engineer	7	11
Mitch Miller(Resigned 13 Oct 18)	Director	IT Manager	2	3
Robert Lockhart	Director	Bank Manager	11	11
Mark Willson	Secretary	Club Manager	11	11
Matthew Stanbury	Director	Engineer	10	11
Nathan Edwards	Director	Student	10	11
Andrew Pearson (elected 21 Oct 18)	Director		8	8

***A = Number of meetings attended***

***B = Number of meetings held whilst Director in office,***

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### **Activities:**

The principal activities of the Club during the financial year were conducting of sailing races. The club also operate recreational activities and operating a Licensed club.

### **Results:**

The net result of operations after applicable income tax expense and abnormal items was a profit of \$76,177 compared to year end 2018, of \$33,360.

### **Membership:**

The Club is a Company limited by guarantee and without a share capital. The number of members as at 30 June 2019 is 1077 (including 28 Junior sailors).

### **DIRECTORS' INTEREST IN CONTRACTS WITH THE COMPANY AND BENEFITS:**

Neither during nor since the financial year has a Director received or become entitled to receive a benefit because of a contract that the Director, or firm of which the Director is a member, or an entity in which the Director has a substantial financial interest, has made during that, or any other, financial year with the Club, or an entity that the Club controlled, or a body corporate that was related to the Club, when the contract was made or when the Director received or became entitled to receive, other than amounts paid to a company relating to Phil West for improvements re the deck. All amounts were at commercial rates.





**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2019**

	NOTE	2019 \$	2018 \$
Revenues from Ordinary Activities	9	1,278,322	1,385,174
Changes in Inventories of Finished Goods and Work in Progress		(1,708)	2,321
Raw Materials and Consumables Used		(360,749)	(374,470)
Depreciation and Impairment Expenses		(28,279)	(28,935)
Other Expenses from Ordinary Activities		(811,409)	(950,730)
Profit /(Loss) from Ordinary Activities Before Income Tax Expense		76,177	33,360
Income Tax Expense Relating to Ordinary Activities			
<b>Net Profit/(Loss) from Ordinary Activities after Income Tax Expense Attributable to Members of the Company</b>		76,177	33,360

**BALANCE SHEET  
FOR THE YEAR ENDED 30 JUNE 2019**

	NOTE	2019 \$	2018 \$
<b>CURRENT ASSETS</b>			
Cash	8	224,883	204,556
Receivables & Other Assets		60,041	35,480
Inventory		41,438	43,146
<b>TOTAL CURRENT ASSETS</b>	2	<u>326,362</u>	<u>283,182</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	3/6	264,309	269,308
<b>TOTAL NON-CURRENT ASSETS</b>		<u>264,309</u>	<u>269,308</u>
<b>TOTAL ASSETS</b>		<u>590,671</u>	<u>552,490</u>
<b>CURRENT LIABILITIES</b>			
Payables	4	149,490	150,455
Provisions	5	8,255	45,286
<b>TOTAL CURRENT LIABILITIES</b>		<u>157,745</u>	<u>195,741</u>
<b>TOTAL LIABILITIES</b>		<u>157,745</u>	<u>195,741</u>
<b>NET ASSETS</b>		<u>432,926</u>	<u>356,749</u>
<b>EQUITY</b>			
Accumulated Profit		432,926	356,749
<b>TOTAL EQUITY</b>		<u>432,926</u>	<u>356,749</u>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2019**

	<b>Retained Earnings</b>	<b>Reserves</b>	<b>Total</b>
	\$	\$	\$
<b>Balance as at 1 July 2017</b>	<u>323,389</u>	-	<u>323,389</u>
Profit/(Loss) attributable to members	33,360	-	33,360
<b>Balance as at 30 June 2018</b>	<u>356,749</u>	-	<u>356,749</u>
Profit/(Loss) attributable to members	76,177	-	76,177
<b>Balance as at 30 June 2019</b>	<u><u>432,926</u></u>	-	<u><u>432,926</u></u>

**STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED 30 JUNE 2019**

	NOTE	2019 \$	2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from operations		1,360,869	1,490,786
Payments to Suppliers and Employees		(1,401,608)	(1,467,748)
Interest Received		3,500	162
Rent Received		80,846	79,296
<b>Net Cash used in Operating Activities</b>	8	43,607	102,496
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for Plant & Equipment		(23,718)	(6,396)
Disposal of Plant & Equipment		438	-
<b>Net Cash used in Investing Activities</b>		(23,280)	(6,396)
<b>Net Increase (Decrease) in Cash Held</b>		20,327	96,100
Cash at Beginning of Year		204,556	108,456
<b>Cash at the End of Year</b>	8	224,883	204,556

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

These financial statements and notes represent those of The Middle Harbour 16ft Skiff Sailing Club.

### Note 1 Statement of Significant Accounting Policies

#### Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements 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.

#### (a) Income Tax

The Club is a tax exempt body

#### (b) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs. Refer to Note 1(a) for further details on changes in accounting policy. The cost of mining stocks includes direct materials, direct labour, transportation costs and variable and fixed overhead costs relating to mining activities.

#### (c) Property, Plant & Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

#### Plant & Equipment

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

#### Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	5%
Plant & equipment	10-50%
Office furniture	10-40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

### (d) Impairment of Assets

At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

### (e) Employee Benefits

Provision is made for the company'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. 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. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

### (f) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

### (g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

### (h) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

### (i) **Goods & Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a net basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

### (j) **Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. Similarly comparatives have been adjusted where current year accounting policies have changed.

### (k) **Contingent Liabilities**

During the year the dispute with the Department of Industries - Lands (DOL) regarding the Lease fees and charges owed by the club was resolved.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>Note 2 Current Assets</b>		
Cash in Hand	12,730	13,900
Cash at Bank	82,153	121,826
Cash on Deposit	130,000	68,830
Other Debtors	44,225	23,335
GST on acquisitions	15,816	12,145
Inventories	41,438	43,146
	<u>362,362</u>	<u>283,182</u>
 <b>Note 3 Property Plant &amp; Equipment</b>		
Leasehold Improvements	256,033	256,033
Less Prov'n for Depreciation	(63,238)	(53,092)
	<u>192,795</u>	<u>202,941</u>
 Office Equipment at cost	17,520	12,885
Less Prov'n for Depreciation	(8,176)	(9,081)
	<u>9,344</u>	<u>3,804</u>
 Plant & Equipment at cost	173,910	159,159
Less Prov'n for Depreciation	(111,740)	(96,596)
	<u>62,170</u>	<u>62,563</u>
 <b>Note 4 Creditors &amp; Borrowings</b>		
Trade Creditors	17,335	15,930
Other Creditors	14,506	28,995
GST on supplies	29,701	22,743
Rent in Advance	48,775	46,688
Subs in Advance	39,173	36,099
	<u>149,490</u>	<u>150,455</u>
 <b>Note 5 Provisions</b>		
Provision for Rent	-	40,000
Provision for Audit Fees	3,650	3,600
Annual Leave	4,605	1,686
	<u>8,255</u>	<u>45,286</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Note 6 Reconciliations</b>		
Reconciliations of the carrying amounts for each class of Property, Plant and Equipment are set out below:		
<b>Plant &amp; Equipment</b>		
Carrying amount at beginning of year	62,563	77,052
Additions	15,651	2,822
Depreciation/Impairment	(15,649)	(17,311)
Transfers/disposals	(395)	-
Carrying amount at end of year	<u>62,170</u>	<u>62,563</u>
<b>Office Equipment</b>		
Carrying amount at beginning of year	3,804	1,173
Additions	8,067	3,574
Depreciation/Impairment	(2,484)	(943)
Transfers/write offs	(43)	-
Carrying amount for the end of the year	<u>9,344</u>	<u>3,804</u>
<b>Leasehold Improvements</b>		
Carrying amount at beginning of the year	202,941	213,622
Additions	-	-
Depreciation/Impairment	(10,146)	(10,681)
Transfers	-	-
	<u>192,795</u>	<u>202,941</u>
<b>Note 7 Auditors Remuneration</b>		
Total amounts received and due and receivable by the Auditors of the company for:		
Audit of Accounts	<u>3,650</u>	<u>3,600</u>
<b>Note 8 Reconciliation of Cash</b>		
Cash in Hand	12,730	13,900
Cash at Bank/(Overdraft)	82,153	121,826
Cash on Deposit	130,000	68,830
CASH AT THE END OF THE YEAR	<u>224,883</u>	<u>204,556</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2019**

<b>Reconciliation of net cash provided by Operating activities</b>	<b>2019 \$</b>	<b>2018 \$</b>
Operating profit after income tax	76,177	33,360
Depreciation/Impairment	28,279	28,935
Less profit on disposal of assets		
Add loss on disposal of assets		
	104,456	62,295
Decrease(increase) in receivable	(24,561)	36,719
Decrease(increase) in inventory	1,708	(2,321)
Increase(decrease) in trade creditors	1,405	2,500
Increase(decrease) in other expenses payable	(2,370)	2,922
Increase(decrease) in provisions	(37,031)	381
<b>NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES</b>	<b>43,607</b>	<b>102,496</b>

**Note 9 Operating Revenue**

Included in the operating results of the company are the following items of gross revenue.

**Sales Revenue**

Bar	989,557	1,103,209
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**Other Revenue**

Membership Subscriptions	76,209	70,360
Sponsorship	12,532	43,339
Interest Received	3,500	162
Rents Received	80,846	77,323
Sailing Income	2,545	8,393
Shed Rent	34,822	30,073
Sundry Income	12,189	12,235
Storage	21,000	21,000
Deck Hire	35,969	-
Donations	9,153	19,080
<b>TOTAL REVENUE</b>	<b>1,278,322</b>	<b>1,385,174</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Note 10</b>		
<b>Trading Account</b>		
<b>Bar Trading Account</b>		
Sales	989,557	1,103,209
<b>Less Cost of Sales</b>		
Opening Finished Goods	43,146	40,824
Purchases	357,005	373,038
Closed Finished Goods	(41,438)	(43,146)
	<u>358,713</u>	<u>370,716</u>
<b>Direct Expenses</b>		
Bar Expenses	2,035	1,432
Bar Wages	240,275	230,371
	<u>242,310</u>	<u>231,803</u>
<b>Profit from Bar Trading</b>	<u>388,534</u>	<u>500,690</u>
<b>TOTAL TRADING PROFIT</b>	<u><u>388,534</u></u>	<u><u>500,690</u></u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019	2018
		\$	\$
<b>INCOME</b>			
Gross Profit Trading	10	388,534	500,690
Other Revenue	9	288,765	281,965
<b>TOTAL INCOME</b>		<b>677,299</b>	<b>782,655</b>
<b>EXPENSES</b>			
Accountancy & Audit		6,700	6,650
Advertising & Promotion		8,124	7,515
Bank Charges & Merchant Fees		16,416	16,161
Car & Parking		-	241
Consultants Fees		2,592	3,750
Computer Expenses		1,395	1,246
Depreciation & Impairment		28,279	28,935
Electricity & Gas		69,309	69,163
General Expenses		1,516	2,267
Insurance		39,769	34,603
Licences & Registrations		6,267	7,151
Management Fee		159,406	276,745
Membership Commission		1,302	-
Postage		73	75
Printing & Stationery		670	2,883
Rates & Land Taxes		10,948	13,415
Rent		64,657	80,151
Repairs & Maintenance		6,968	6,729
Sailing Expenses		99,501	138,223
Other Employment Expenses		5,846	-
Subscriptions		1,594	2,913
Superannuation		32,704	30,788
Telephone		10,912	9,956
Annual Leave Prov.		7,151	5,620

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Wages	104,368	93,313
Sponsorship	-	-
Loss on Disposal of Assets	438	-
Workers Compensation	11,597	8,323
<b>TOTAL EXPENSES</b>	<b>698,502</b>	<b>846,815</b>
Less Expenses recovered	(97,380)	(97,520)
<b>NET TOTAL EXPENSES</b>	<b>601,122</b>	<b>749,295</b>
<b>OPERATING PROFIT/(LOSS)</b>	<b>76,177</b>	<b>33,360</b>
Retained Profits (Opening)	356,749	323,389
<b>RETAINED PROFITS</b>	<b>432,926</b>	<b>356,749</b>

**NOTE 11 – ADDITIONAL COMPANY INFORMATION**

*Principal Registered Office*

The Spit  
 MOSMAN NSW 2088

*Principal Place of Business*

The Spit  
 MOSMAN NSW 2088

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**MEAGHER, HOWARD & WRIGHT**

CERTIFIED PRACTISING ACCOUNTANTS

ABN 42 664 097 441

PARTNERS

K.J. WRIGHT J.P. M.COMM. F.C.P.A

G. MIDDLETON B.COMM. ACA

FINANCIAL PLANNING

MARK MAYCOCK

ASSOCIATE

L.J. HOWARD O.A.M. J.P. B Ec. F.C.P.A.

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BONDI JUNCTION NSW 2022

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BONDI JUNCTION NSW 1355

Phone: 02 9387 8988

Fax: 02 9387 8388

[ken@mhw.net.au](mailto:ken@mhw.net.au)**AUDIT REPORT TO THE MEMBERS OF MIDDLE HARBOUR SKIFF CLUB  
ABN. 68 000 537 057**

We have audited the accompanying financial report of Middle Harbour 16ft Skiff Sailing Club which comprises the statement of financial position as at 30 June 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the company at the year's end or from time to time during the financial year.

*Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determined this necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

*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. These 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 company's preparation 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 Middle Harbour 16Ft Skiff Sailing Club on 30 June 2019 would be in the same terms if provided to the directors as at the date of this auditor's report.



## MEAGHER, HOWARD & WRIGHT

CERTIFIED PRACTISING ACCOUNTANTS

ABN 42 664 097 441

PARTNERS

K.J. WRIGHT J.P. M.COMM. F.C.P.A

G. MIDDLETON B.COMM. ACA

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MARK MAYCOCK

ASSOCIATE

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BONDI JUNCTION NSW 1355

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Fax: 02 9387 8388  
[reception@mhw.net.au](mailto:reception@mhw.net.au)

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

TO THE DIRECTORS OF MIDDLE HARBOUR 16 SKIFF SAILING CLUB  
ABN: 68 000 537 057

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 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.

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K J Wright FCPA  
Partner  
Meagher, Howard & Wright  
Certified Practising Accountants  
Suite 506  
Level 5, 55 Grafton Street  
Bondi Junction NSW 2022

Dated: