

YACHTING VICTORIA INC.

VIC A0012136F

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

YACHTING VICTORIA INC.

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YACHTING VICTORIA INC.

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	30 June 2016	30 June 2015
		\$	\$
Revenue	2	2,275,229	2,301,223
Cost of sales		(43,971)	(57,881)
Gross surplus		2,231,258	2,243,342
Other income		-	14,072
Employee expenses		(949,853)	(997,324)
Depreciation expenses		(63,211)	(61,116)
Administration expenses		(1,213,000)	(1,257,885)
Results from operating activities		5,194	(58,911)
Finance income	3	3,087	8,345
Net finance income		3,087	8,345
Surplus / (deficit) before income tax		8,281	(50,566)
Income tax expense		-	-
Surplus / (deficit) for the year attributable to members of the Association		8,281	(50,566)
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Total comprehensive income / (loss) for the year attributable to members of the Association		8,281	(50,566)

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes of the financial statements set out on pages 7 to 15.

YACHTING VICTORIA INC.
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	30 June 2016	30 June 2015
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	5	673,549	168,049
Trade and other receivables	6	158,271	125,159
Inventories		-	11,504
TOTAL CURRENT ASSETS		831,820	304,712
NON-CURRENT ASSETS			
Plant and equipment	7	161,031	186,583
TOTAL NON-CURRENT ASSETS		161,031	186,583
TOTAL ASSETS		992,851	491,295
CURRENT LIABILITIES			
Trade and other payables	8	658,470	118,672
Employee benefits	9	10,342	100,251
Deferred income	10	60,000	9,603
TOTAL CURRENT LIABILITIES		728,812	228,526
NON-CURRENT LIABILITIES			
Employee benefits	9	-	7,011
TOTAL NON-CURRENT LIABILITIES		-	7,011
TOTAL LIABILITIES		728,812	235,537
NET ASSETS		264,039	255,758
EQUITY			
Retained earnings		264,039	255,758
TOTAL EQUITY		264,039	255,758

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 7 to 15.

YACHTING VICTORIA INC.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Retained Earnings	Total Equity
	\$	\$
Balance 1 July 2014	306,324	306,324
Deficit for the year	(50,566)	(50,566)
Other comprehensive income for the year	-	-
Balance 30 June 2015	255,758	255,758
Balance 1 July 2015	255,758	255,758
Surplus for the year	8,281	8,281
Other comprehensive income for the year	-	-
Balance 30 June 2016	264,039	264,039

The statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 7 to 15.

YACHTING VICTORIA INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Note	30 June 2016	30 June 2015
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers, grants and sponsorships		2,292,514	2,224,336
Payments to suppliers, employees and others		(1,752,442)	(2,251,878)
Net cash from / (used in) operating activities	11	540,072	(27,542)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	30,480
Payments for property, plant and equipment		(37,659)	(85,860)
Interest received		3,087	8,345
Net cash used in investing activities		(34,572)	(47,035)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash from / (used in) financing activities		-	-
Net increase / (decrease) in cash and cash equivalents		505,500	(74,577)
Cash and cash equivalents at beginning of year		168,049	242,626
Cash and cash equivalents at end of year	5	673,549	168,049

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 7 to 15.

YACHTING VICTORIA INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

(a) Statement of compliance

Yachting Victoria Incorporated (the "Association") is an Association domiciled in Australia. The address of the Association's registered office is 77 Beach Road Sandringham VIC 3191. The Association is a not-for-profit entity and primarily is involved in promoting and encouraging participation in sailing and boating, assisting members in their development and delivering major sailing and boating events.

In the opinion of the Executive Committee, the Association is not a reporting entity. The financial report is prepared as a special purpose financial report for distribution to members and for the sole purpose of fulfilling the requirements of the Associations Incorporation Reform Act 2012 (Victoria).

The special purpose financial report has been prepared in accordance with the recognition and measurement aspects of all applicable Australian Accounting Standards ("AASB's") adopted by the Australian Accounting Standards Board ("AASB"). The accounting policies adopted in preparing the financial statements have been consistently applied to all periods presented.

The financial report does not include the disclosure requirements of all AASB's except for the following minimum requirements:

- AASB 101 *Presentation of Financial Statements*
- AASB 107 *Statement of Cash Flows*
- AASB 108 *Accounting Policies, Changes In Accounting Estimates and Errors*
- AASB 1031 *Materiality*
- AASB 1048 *Interpretation and Application of Standards*
- AASB 1054 *Australian Additional Disclosures*

The financial statements were approved by the Executive Committee on the 13th of September 2016.

(b) Basis of Preparation

These financial statements are prepared on the historical cost basis and is presented in Australian Dollars, which is the Association's functional currency.

There are no standards and amendments available for early adoption that are relevant to the Association.

The preparation of financial statements in conformity with Australian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Association.

The 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Income tax

The Association's income is exempt from tax under section 50-45, items 9-1 of the Income Tax Assessment Act 1997, as the Association's objective is to promote and encourage the participation in sailing and boating and its business is not carried out for the purpose of profit or gain for its individual members.

YACHTING VICTORIA INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (Continued)

(d) Plant and equipment

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Executive Committee to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight line basis over the estimated useful lives of each item of plant and equipment. Each item of plant and equipment is depreciated over its useful life to the Association commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets in the current and prior year are as follows:

Asset class	Depreciation rates	
	2016	2015
Plant and equipment	13-50%	13-50%
Fixtures and Fittings	20%	20%
Sailing equipment	13-50%	13-50%
Motor vehicles	25%	25%
Powered boats	20%	20%

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.

The gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and is recognised in profit or loss.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(e) Impairment

At each reporting date, the Association reviews the carrying values of its tangible 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 recognised in profit or loss.

(f) 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 selling expenses.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short-term deposits, and are carried at the face value of the amounts deposited or held.

YACHTING VICTORIA INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (Continued)

(h) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for impairment. Trade receivables are due for settlement no more than 30 days from the date of recognition.

(i) Employee entitlements

Wages, salaries and annual leave

The provisions for employee entitlements which consist of wages, salaries and annual leave represent the amount, which the Association has a present obligation to pay resulting from employees' services, provided up to the balance date. The provisions have been calculated at undiscounted amounts based on current wage and salary rates and include related on-costs.

Long service leave

The liability for employees' entitlements to long service leave represents the present value of the estimated future cash outflows to be made by the Association resulting from employee's services provided up to balance date. The discount rate used is the yield rate at the reporting date of government bonds that have maturity dates approximating the terms of the Association's obligations.

In determining the liability for employee entitlements, consideration has been given to the Association's experience with staff departures. The provision includes related on-costs.

(j) Provisions

A provision is recognised if, as a result of a past event, the Association has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(k) Revenue

Revenues are recognised at fair value of the consideration received or receivable net of the amount of goods and services tax (GST). Exchanges of goods or services of the same nature without any cash consideration are not recognised as revenues.

Members' subscription fees collected on behalf of Yachting Australia Inc. are recognised on a gross basis in profit or loss, as and when they become receivable.

Revenue received that relates to future periods is recognised as deferred income.

Grants are recognised initially as deferred revenue on receipt and as revenue in profit or loss during the period in which the Association satisfies the conditions pertaining to the grants. Grants that compensate the Association for expenses incurred are recognised as revenue in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

(l) Goods and 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 Australian Taxation Office. In these circumstances, the GST is recognised as

YACHTING VICTORIA INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (Continued)

(l) Goods and services tax (GST) (Continued)

part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

(m) Trade and other payables

Trade and other payables are stated at their amortised cost. Trade payables are non-interest bearing and are normally settled on 30-day terms.

(n) Leases

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

At inception of an arrangement, the Association determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- the fulfilment of the arrangement is dependent on the use of a specific asset or assets; and
- the arrangement contains a right to use the asset or assets.

(o) Rounding Off

Amounts in the Association's financial report have been rounded off to the nearest dollar, unless otherwise stated.

(p) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2015, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Association.

YACHTING VICTORIA INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	30 June 2016	30 June 2015
	\$	\$
NOTE 2: REVENUE		
Sale of goods	5,906	-
Membership subscription revenue	696,199	745,168
Grant revenue	500,000	578,487
Entry fee revenue	191,669	194,566
Sponsorship revenue	233,931	192,231
Training course revenue	528,010	467,411
Other revenue from operating activities	119,514	123,360
	<u>2,275,229</u>	<u>2,301,223</u>
NOTE 3: FINANCE INCOME		
Interest income on bank deposits	3,087	8,345
	<u>3,087</u>	<u>8,345</u>
NOTE 4: AUDITORS' REMUNERATION		
Auditors of the Association:		
<i>KPMG Australia</i>		
Audit and review of financial reports	7,500	7,000
Other assurance services	1,000	1,000
	<u>8,500</u>	<u>8,000</u>
NOTE 5: CASH AND CASH EQUIVALENTS		
Cash at bank	370,049	26,733
Short-term deposits	302,500	139,316
Petty cash	1,000	2,000
	<u>673,549</u>	<u>168,049</u>
NOTE 6: TRADE AND OTHER RECEIVABLES		
Trade receivables	135,380	72,447
Sundry receivables	22,891	52,712
	<u>158,271</u>	<u>125,159</u>

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Trade receivables are shown net of impairment losses. Impairments losses on trade receivables recognised in the current year amount to nil (2015: nil).

YACHTING VICTORIA INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 7: PLANT AND EQUIPMENT

	Cost		Accumulated Depreciation		Carrying Value	
	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$
Plant and Equipment	90,060	86,155	77,541	67,964	12,519	18,191
Sailing Equipment	295,029	261,276	155,266	105,620	139,763	155,656
Motor Vehicles	99,722	99,722	99,722	99,722	-	-
Powered Boats	63,464	63,464	54,715	50,728	8,749	12,736
Total	548,275	510,617	387,244	324,034	161,031	186,583

YACHTING VICTORIA INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	30 June 2016	30 June 2015
	\$	\$
<hr/>		
NOTE 7: PLANT AND EQUIPMENT (continued)		
Reconciliations:		
Reconciliations of the carrying values for each class of plant and equipment are set out below:		
 Plant and Equipment		
Carrying value at beginning of year	18,191	22,291
Additions	3,905	7,095
Disposals	-	-
Depreciation	(9,577)	(11,195)
Carrying value at end of year	<u>12,519</u>	<u>18,191</u>
Sailing Equipment		
Carrying value at beginning of year	155,656	143,479
Additions	33,753	74,765
Disposals	-	(16,408)
Depreciation	(49,646)	(46,180)
Carrying value at end of year	<u>139,763</u>	<u>155,656</u>
Powered Boats		
Carrying value at beginning of year	12,736	12,477
Additions	-	4,000
Disposals	-	-
Depreciation	(3,987)	(3,741)
Carrying value at end of year	<u>8,749</u>	<u>12,736</u>

YACHTING VICTORIA INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	30 June 2016	30 June 2015
	\$	\$
NOTE 8: TRADE AND OTHER PAYABLES		
Trade payables	255,451	92,717
Other payables	403,019	25,955
	<u>658,470</u>	<u>118,672</u>
NOTE 9: EMPLOYEE BENEFITS		
CURRENT		
Liability for annual leave	-	30,253
Liability for long service leave	10,342	69,998
	<u>10,342</u>	<u>100,251</u>
NON CURRENT		
Liability for long service leave	-	7,011
	<u>-</u>	<u>7,011</u>
	10,342	107,262
NOTE 10: DEFERRED INCOME		
Deferred income	60,000	9,603
	<u>60,000</u>	<u>9,603</u>
NOTE 11: RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus / (deficit) for the year	8,281	(50,566)
Depreciation	63,211	61,116
Interest received	(3,087)	(8,345)
Gain on disposal of assets	-	(14,072)
Operating surplus / (deficit) before changes in working capital	<u>68,405</u>	<u>(11,867)</u>
<i>Changes in assets and liabilities</i>		
Decrease / (increase) in trade and other receivables	(33,112)	(33,458)
Decrease / (increase) in inventory	11,504	8,168
(Decrease) / increase in trade and other payables	539,798	22,928
Increase / (decrease) in deferred income	50,397	(43,429)
Increase / (decrease) in employee benefits provisions	(96,920)	30,116
Net cash inflows / (outflows) from operations	<u>540,072</u>	<u>(27,542)</u>

YACHTING VICTORIA INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 12: OPERATING LEASES

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	30 June 2016	30 June 2015
	\$	\$
Less than one year	31,500	-
Between one and five years	157,500	-
More than five years	425,250	-
	<u>614,250</u>	<u>-</u>

The Association leases boatshed facilities under operating leases. The leases run for a period of 20 years, with an option to renew the lease after that date. Lease payments are increased every year based on CPI.

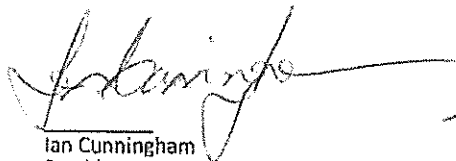
One of the leased properties has been sublet by the Association. The lease and sublease expired in February 2015 and is currently under negotiation.

During the year an amount of \$26,225 (2015: \$20,687) was recognised as an expense in profit or loss in respect of non-cancellable operating leases. An amount of \$16,704 (2015: \$14,158) was recognised as other income in respect of subleases.


EXECUTIVE COMMITTEE'S DECLARATION

1. In the opinion of the Executive Committee of Yachting Victoria Inc:
 - (a) Yachting Victoria Inc. is not a reporting entity;
 - (b) the financial statement and notes, set out on pages 3 to 15.
 - (i) present fairly the financial position of Yachting Victoria Inc. at 30 June 2016 and its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date in accordance with the statement of compliance and basis of preparation described in Note 1; and
 - (ii) comply with Australian Accounting Standards (including the Australian Accounting Interpretations) to the extent described in Note 1 and the Associations Incorporation Reform Act 2012 (Victoria); and
 - (c) there are reasonable grounds to believe that Yachting Victoria Inc. will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Executive Committee.



Ian Cunningham
President



Cherry Birch
Treasurer

Dated at Melbourne this 13th of September 2016.