



# Annual Report

## 2017 - 2018

## COMMODORE'S REPORT – RICHARD HURLEY

It is with enormous pride that I present our Club's 70th Annual Report. We have enjoyed a remarkable year of success, both on and off the water.

The attached Finance Report shows another strong result, details of which appear in the Treasurer's Report. Suffice to say, we continue to move forward in a strong financial position and have recorded another healthy surplus. Our cash position has never been stronger and must surely be the envy of many sailing clubs around the country.

I extend my thanks to Philip Mellett and Graham Cunningham who, as successive Treasurers have paid the utmost attention to matters of governance and financial prudence. Their efforts are commendable. I am also grateful to Shaun Chalmers and members of the Finance Sub-Committee who have undertaken a detailed review of the Club and financial sustainability of its business model.

During the last two years, a long overdue program of repairs, maintenance and improvements around the clubhouse has been undertaken. In addition to those works, capital has also been expended on replacing ageing and inappropriate plant and equipment. In principle, we set out to continue the philosophy of the previous committee under Commodore Plympton - "don't get bigger, just get better".

I would like to take this opportunity to thank Immediate Past Commodore Andrew Plympton for his wise council over the past two years. His advice, his reflections and his connectivity to the officialdom of our sport has proved to be invaluable.

**Membership** We continue to be one of the largest sailing and yacht clubs in Australia, defying the trend experienced by many sailing clubs around the world. A close analysis of our membership categories has revealed much about our club, the highlight being a fabulous mix of new and larger families. The number of voting members has grown moderately and currently stands at 2,610. The fact we have an additional 1,041 youth and junior members is extremely gratifying and places us in a good position for the future.

A special thanks also to Susie Di Pierdomenico and Virginia Cable for their attendance in conducting each and every new member interview.

**New Rules:** Last year, the Club instructed its lawyers, Hunt & Hunt, to review the Club's existing rules and determine whether they remain compliant with the requirements under the Associations Incorporation Reform Act 2012 (Vic). Under the Act, the club may adopt their own bespoke rules however it must ensure it complies with a series of requirements and cover specified issues set out in the Act. After a careful review we were advised the existing rules were not compliant, given the changes to the Act and other regulations governing not for profit clubs and associations. A new set of rules was subsequently drafted. In March this year, members attended a Special General Meeting and voted to adopt the published changes.

I would like to take this opportunity to thank Club Secretary, Phil Wise and Life Member, Ralph Wilson for their carriage of this process through to its final conclusion.

**Sailing:** The Training Centre has gone from strength to strength this year. Australian Sailing gave the tick of approval for our Discover Sailing Centre program. An on-site review was conducted during operations and unsurprisingly we passed with flying colours. All areas of the Training Centre performed well and within budget. Our Sailing Development Manager Dave White should be congratulated for his innovative and unique approach to our sail training operations. He has been responsible for our successes on so many fronts.

The success of this program is critical. It will determine the future success and participation in dinghy racing at the Club.

In January this year, we were thrilled to have received an invitation from the New York Yacht Club to participate in the inaugural NYYC Global Team Race Regatta. The regatta will be sailed off Newport RI in October this year. Ten teams from around the world are expected to participate, including Japan, Germany, Italy, England, Scotland, Ireland, Netherlands, Argentina and the USA. We felt extremely honoured to be the only Club from Australia to have been invited. We wish our squad every success as they begin their training prior to travelling to Rhode Island in a few month's time.

It was also great to see such enthusiastic participation, across both divisions, of our Coutu Boat fleet this season. The 'Next Gen' Coutu Boat race was a resounding success, it was especially exciting to see the Club's very own Coutu Boat "Ripple" (genuine 1927 fishing boat) emerge as Division 1 handicap winner. The fact that a young crew, made up entirely of 'Next Gen' sailors, who had chartered the boat for the day, simply demonstrated how much fun these older boats can be.

Our Club Captain Scott Llewelyn, Rear Commodore Drew Marget, our Sailing Committee and the team headed by Sailing Operations Manager Adam Hawkins along with Dave White should all be congratulated on an outstanding season of racing. The weather didn't always play its part in the later part of the season, as a consequence, some very difficult judgement calls were required and the team acquitted themselves admirably.

The tragedy, which unfolded off Brighton just a few weeks ago, reminds us of the difficulties faced by race management. It is very easy to be critical of a conservative decision on whether to race or not, however we should all appreciate the challenges faced by the Club Captain and Race Management when a tough call needs to be made.

Congratulations to all our amazing instructors, coaches, bosuns and of course the extraordinary volunteers and race management team. The important role each and every one of you plays towards the delivery of our sailing program throughout the year is simply invaluable.

**Sponsorship:** As a club, we are incredibly fortunate to have assembled so many valuable and enduring commercial partnerships with our sponsors. Just 4 years ago, our sponsorship program was generating \$118K. This year that figure is almost \$200K. I am extremely grateful to my good friend and colleague Max Chester who has worked so hard to turn the sponsorship program around. Max is retiring as Vice Commodore this year. He has served our club extraordinarily well. As a member of the General Committee for nearly 7 years he is well known to many and I know he will be greatly missed by his colleagues who will be remaining on the General Committee. Many thanks also to Hollie Hick for her back-of-house administrative support of this program.

**Emergency Capability:** The Club's emergency responders were very active this summer, having responded to several incidents at the club and along the beach nearby. In one week, six ambulances and a MICA Paramedic attended five incidents which had unfolded at the Club. Due to the first aid training and incident control procedures put in place, our staff handled these emergencies with professionalism and care, both on and off the water. On one occasion, the actions of our first responders were directly responsible for saving the life of a guest. On that occasion, the Club's response was highly praised by the Emergency Services personnel who attended the scene. Yet again, the performance of our staff was nothing short of admirable.

**Community:** Our Clubhouse continues to be used for a raft of local community activities including school education programs, powerboat and boat license courses, first aid certificates and other community benefit get-togethers.

Our Bosun Program continues to develop as a worthwhile activity for young people. We are extremely proud of the employment positions held by some of the local secondary school students who started with us as trainees. In collaboration with local marine businesses, many progress into full time employment or undertake further education opportunities within the marine industry. The experience gained at SSCBC both on and off the water, the training and exposure to operational

management is such an important component of their participation. The program has already demonstrated the value we add to these young people when seeking employment opportunities, not only at SSCBC but the wider marine industry as well.

Australia Day celebrations this year included an Indigenous Welcome to Country and Smoking Ceremony by respected Boon Wurrung Elder, Carolyn Briggs, who acknowledged the Indigenous community and paid respect to the traditional people and custodians of this land. Carolyn has since expressed some interest in bringing some of her students to SSCBC for a unique on-water experience.

Once more the busy summer period saw SSCBC staff and many members volunteer their boats and time to enhance children's lives who are disadvantaged or experiencing hardship, through providing boat trips from The Portsea Camp. This opportunity allows the Club to make a contribution towards enriching and changing the lives of hundreds of children each year, who previously have had little or no experience on the water.

In February, SSCBC once again hosted a group of approximately 40 students from the Melbourne Indigenous Transition School (MITS). SSCBC was thrilled to be able to assist with providing the MITS students a spectacular day on the water. We thank those wooden boat skippers who made their vessels available on the day.

The Executive Director of the Melbourne Indigenous Transition School, Ed Tudor expressed his thanks to our Club for providing such a wonderful experience for these kids, he said "Visiting Sorrento Sailing Couta Boat Club has very quickly become a valued and highly anticipated activity early in the school year for our new students and our graduate students. For some of our students, it's the first time that they will have been on the water in a sailing boat. For others – like our Tiwi Islands students – the sea and boating are very familiar, and provide a great connection between home and Melbourne".

**Infrastructure:** The Infrastructure Sub-Committee continues to put in an extraordinary amount of time ensuring the proposed clubhouse improvement project progresses in a professional and methodical manner. No element of the design is being left untested, no possibility remains unexplored. This is a very important and essential project that's time has come.

As Past Commodore Plympton stated in his final Annual Report in 2016, "We are at a stage in our existence that changes and further development needs to be considered, indeed embraced ... that is a legacy the current General Committee has passed on, we must not stand still!"

I am profoundly grateful for the work being undertaken by Infrastructure Chairman Rollo Wright, Past Couta Boat Club President Bruce Griffiths and Club Member Jonathan Long. This is no easy task and I value their insistence on ensuring we achieve the best possible outcome for this project.

I would also like to thank Club member Bruce Henderson for the valuable contribution of his architectural services for over more than a decade. Bruce has chosen not to continue in this role, nevertheless it is important to recognize that his contribution has been invaluable.

**Catering:** The first summer for Damm Fine Food has passed providing an extremely valuable learning opportunity for our new caterer. The team at DFF has redoubled its effort since the summer, in order to deliver on member expectations over the winter months. Members and guests voted clearly with their feet, by attending in record numbers over the summer, nevertheless, there is much to do in order to replicate that success during the off season.

Starting out as a proof-of-concept undertaking last year, the Beach Club Café in the marquee returned and was a standout success over the summer. The Café was greatly appreciated by families looking for a simple alternative to the Main Dining Room when taking lunch and dinner. It also took a significant amount of pressure away from the deck and Members' Lounge.

All member events were an outstanding success and extremely well patronized with the following being sold out, including Summer Drinks, Ladies Lunch, Rotary Lunch, Family Pizza Night, Geoff Lindsay's Crab Club (all 3 events). The annual KPMG Day was an outstanding success, the sponsor proclaiming it to be "the best ever".

The member functions and their implementation have been a great success thanks to the attention and oversight by Head of House and General Committee member Susie Dipierdomenico.

**Conclusion:** Along with Max Chester and myself, Committee Member Charlotte Barnaby is also retiring from the General Committee after three years of valuable service. I cannot thank Charlotte enough for the inordinate amount of time she has given the Club. There is no doubt, the extraordinarily successful "Summer Drinks Party" will remain as a shining example of the inventiveness and creativity Charlotte brought to the committee table on so many fronts and in so many ways. She will be missed indeed.

Being a member of this General Committee has been both a privilege and an extremely rewarding experience. It has been a joy working with such an effective group of people. They have been purposeful and extremely diligent in the approach to each and every task. I expect this committee will serve as an obvious example of how a group with a singular vision and common purpose can make such a difference in such a short period of time. Congratulations to you all.

To all our amazing Volunteers and Race Management team, I cannot thank you enough. The important role that you play each weekend is what guarantees the delivery of our sailing program will always be outstanding.

Our staff in the office are a remarkable group. Philip Hall, Jorja Crowe, Adam Hawkins, Dave White, Hollie Hick, Ben Fels and Rosemary Trevethan all carry out their tasks in a professional and courteous manner. I have seen what a challenge this can be at times. Nevertheless, it is greatly appreciated by each and every one of us who sees what you do.

In handing over to a new Commodore and a new General Committee, I could not feel more enthusiastic about the future of our Club. I am confident this new leadership group will continue with the same amount of enthusiasm and vigour that I experienced just two years ago. I am happy to leave with a framework in place ensuring the programs and projects, including those that will take more than the usual two year term, will continue to play out.

Thank you to all members of this Club for affording me an extraordinary privilege.

Richard Hurley

## CLUB CAPTAIN'S REPORT – SCOTT LLEWELYN

"The cure for anything is saltwater - sweat, tears, or the sea." — Isak Dinesen

**COUTA BOAT RACING:** As Melbourne's cooler months loom closer it signals the close of the summer sailing season. Once again we have all enjoyed a very competitive and rewarding season of racing. Of course, without the generosity and dedication of our incredible volunteers, no racing would take place. Firstly, and most importantly, I would like to thank the tireless work of our much esteemed volunteers who make our sailing season possible.

Sailing participation has been on par with last season across both Divisions, which has seen great numbers on the water throughout the 2017/18 season. Our major races have all been very well attended, Mercedes-Benz Mornington were thrilled to welcome the largest number of Couta boats competing so far this season for the Victorian Championships at the end of December, with 40 boats on the water across the two divisions.

The Gant Portsea Cup attracted 200 sailors to kick off the day with breakfast in the marquee, captivated by the gripping tales from victorious America's Cup skipper, Glenn Ashby, and our own Adam Hawkins. 39 Couta boats then battled it out on the water for the coveted prize.

Div 2 Lacco Cup and Nationals was well supported with 21 boats registered, unfortunately only one race of the series was sailed, and the weather again was not on our side.

A special thank you to Graham Cunningham, Andrew Skinner and Jorja Crowe for all their efforts ensuring this event's success.

Next Gen continues to be a hit, not only in Couta boat numbers but also the number of competitors sailing all class of boats. On Next Gen day we had 22 Division 1 boats and 7 Division 2 boats competing, with over 200 Next Gen sailors taking part. It was incredible to see so many of the younger generation participating and then enjoying a hugely successful presentation/after party in the marquee. Congratulations to the organising committee.

This year we have continued to run back to back Couta Boat races. This has certainly helped with the number of races we have been able to complete so far this season with more races sailed in the season just passed than in the 16/17 season.

Activity involving Ripple has been many and varied this summer. She was chartered for social cruises, corporate days, Couta boat racing, as well providing the ideal "class room" for the Adult Learn to Sail Courses. In addition, our instructors took out 15 families whose children were participating in the Cara na Mara or Sail & Play courses for a complimentary sail whilst waiting for their children. It was a great way to whet the appetite of so many budding sailors and introduce them to the beauty of Couta boat sailing! These discover sailing experiences on board Ripple have also up-skilled those new to Couta boat racing, providing additional opportunities for crewing on Saturdays.

The **Couta Conversations** were run regularly and provided great engagement and impact with the audience; however, we are not capturing the whole fleet and risk is higher with boats that have not attended. We will continue to engage the fleet, including the new World Sailing Case on Barging when it is published.

We had five collisions causing damage or injury this summer. We investigated these incidents in conjunction with the protest / retirement procedures, or where there was no protest, we conducted a debrief with the boats. The debrief was a new initiative and appeared to be very useful in reducing the risk of re-occurrence. Umpiring was introduced to three additional events (State Champs, KPMG and Next Gen) and was assessed to have a positive effect, supporting boats to adhere to the rules.

**OTB SAILING AND TRAINING CENTRE:** The Training Centre online booking system is in its first year and worked extremely well to significantly reduce our administrative workload. A total of 60 courses were completed in the month from 28th December to Australia Day.

Some interesting statistics emerged:

- 427 students participated compared to 276 last year – a record number
- Ages ranged from 4 to 88 years old
- 76 children participated in the Cara na Mara program for 5-7 year olds – a new program this year
- 28 Instructors and Coaches were employed to run these courses, 22 of whom are SSCBC Members
- 5 out of the 6 non-member coaches were of an extraordinarily high standard, having competed at an international regatta around the world within the last year

Of the 28 Instructors employed this summer, 11 were Assistant Instructors preparing for a future role in the coaching program here at SSCBC. We employed 11 female Instructors and our female Head Coach led the team, nurturing the more junior coaches and overseeing the delivery of the Sail & Play Program, which is the largest of our training programs at SSCBC.

A close look at the numbers tells us there was a significant increase in our 16+ age group. This group is often the most difficult to retain so our increase in numbers tells us we are doing something right. Teenager Sail training, Adult Learn to Sail and Women on Water all reported high levels of participation.

A notable highlight was seeing a group of five teenage girls (ranging from 16 to 20 years) who were either beginners or had previously quit sailing, now returning to the water. There is no doubt this was due to our talented Coaches and the introduction this season of our new and exciting Quest training boats.

## **REGATTAS**

**WASZP NATIONAL CHAMPIONSHIPS** The inaugural Waszp National Championships took place over the Australia day weekend. In total, 35 competitors, from Perth, New South Wales, New Zealand and Victoria, took part in the 4 day event. SSCBC was led on the water by experienced Race Officer Peter Osbourne and his great team who got seven Championship races away. SSCBC sailors did extremely well with three out of the top four being Members, as well as 1st and 2nd youth fleet sailors.

**WOW @ SORRENTO REGATTA** Together with the support of Australian Sailing, 43 ladies across seven classes were coached by three Olympic sailors: Lisa Darmanin, Krystal Weir and Carrie Smith. We were also extremely fortunate to have the expertise of SSCBC's leading coaches: Tess Lloyd, Kate Hannah, Grace Cockman and Maddie Gray. This superstar coaching team allowed for a really productive morning coaching session. In the afternoon, we had an all female start crew who were trained under the guidance of Ben Fels. A very productive weekend for female sailing, coaching and race management development.

**HUNTINGFIELD CUP** It was great to see the Jubilees return to Sorrento for the Jubilee Nationals over 9-11 February, with boats from Queensland, Sydney, Ballarat, Albert Park and Sorrento competing in a great series. Race Officer Fred Allen, supported by volunteers and staff, ran a great series that was enjoyed by race management, sailors and families.

**VICTORIAN OPTIMIST STATE TITLES** Over the Labour Day long weekend, SSCBC had the largest club fleet attending the Victorian Optimist State Titles, with 19 sailors representing our Club at BYS. All SSCBC sailors carried themselves exceptionally well both on and off the water. It was fantastic to see the team spirit from sailors, coaches and family attending the event who were an excellent support crew. Thank you to the talented coaches, our Junior Club Captain George Aulich, Hugo Llewelyn and of course Dave White.

**420 / 9er VICTORIAN CHAMPIONSHIPS** The Club also hosted the 420/9er Victorian Championships and Couta boat racing over the Labour Day long weekend. Unfortunately, Saturday's warm weather resulted in poor winds for sailing and both the Couta boats and 420/9er regattas were abandoned. On Sunday, the 420/9er regatta completed four races for each class, with local race officers Mark Lloyd, Peter Osbourne and Adam Hawkins. Together with their well-oiled team of volunteers, they delivered some outstanding races. This was backed up with an early start on Monday and with oscillating wind, another five races were run and won. The exhausted 420 fleet completed a tenth race before heading ashore for presentation. Congratulations to our team for another well-run regatta, with glowing feedback coming from both the Associations and their sailors.

**VICTORIAN YOUTH CHAMPIONSHIPS** Our most recent major regatta was the Victorian Youth Championships held at the Club 14-15 April with a coaching clinic headed up by some of Victoria and Australia's top coaches beforehand. The Coaching Clinic was a huge success seeing record numbers attending, unfortunately due to extreme weather conditions the call was made to cancel the Vic Youth Championships Regatta which disappointing for all concerned but the right decision.

**COUTA BOAT PRESENTATION NIGHT** The summer sailing season came to an end with light sailing conditions which led into the well-attended Couta Boat Presentation event. Over 140 Members and guests enjoyed dinner, drinks and music to celebrate the end of a highly successful season. Trophies were awarded by Commodore Richard Hurley, CBA President James Mighell and Rear Commodore Drew Marget. The Yanmar Trophy, awarded at the Club Captain's discretion for the seasons most improved Couta Boat, was presented to C2013 The Barra, congratulations to owners Howard Critchley, Matthew Critchley and Ian Blandford along with The Barra crew for a great season of sailing, we look forward to many more.

**HARRY BAKER TROPHY** Harry Baker was a sailor at the club from the age of 8 joining in 1956 and in his life sailed many races in many classes in our waters finally crewing on Harley Moffatt's Couta boat and then on Rhapsody, along with a win in The Portsea Cup. Harry loved sailing and the club sadly passing away in 2007 aged 59, for many years following it had been his wife Jenny's wish to establish a trophy in memory of her late husband. This in turn has established the Harry Baker Trophy which is a Team Racing format of 2 vs 2.

**Couta Boats Winter Series and Zhik Midwinters** concluded yesterday which annually concludes the season on a high.

In concluding I would like to take this opportunity to thank Phil Hall, Adam Hawkins, Ben Fels, Dave White and the SSCBC Sailing Committee and all our Volunteers, Bosun's and Coaches for their hard work and dedication, ensuring the 17/18 sailing season was a huge success, thank you all for your support.

Scott Llewelyn



## TREASURER'S REPORT – GRAHAM CUNNINGHAM

Your Club has had another financially successful year, reporting a profit of \$321,765 (\$349,911 for YE 2017). As a result, the Club has been able to undertake a significant repairs and maintenance program, acquire the Couta Boat "Ripple", expand sail training, increase our members social activities and launch a fund raising program for the Clubhouse redevelopment project.

The Audited Financial Report is available for members to review on the Club's website.

Members should note the revised format of the detailed Income and Expenditure Statement on pages 18 and 19 of the Annual Financial Report. The Statement highlights the following:

- Thanks to the good work of your Committee (Max Chester in particular) and management, our sponsorship support for the club was strong. We raised a net \$156,000 compared to \$111,000 last year. For a sailing club this is an excellent result. It reflects the drawing power of the Couta Boat fleet and our outstanding club facilities;
- Our training centre activity was significantly up for the year. However, through careful management by David White and all the sailing support team, our net cost of providing these vital sailing activities remained pretty much the same. Around \$29,000;
- We increased our support for the racing and on water management. Enhanced resources mean better racing for our sailors. Our net financial commitment to racing increased to around \$20,000;
- We continue to support the development of young sailors with some \$16,000 being spent on Youth Foundation activities;
- We conducted and supported a much busier social program, for sailing and non-sailing members and their guests; and
- Under the heading "General Club Expenses", note that it costs some \$1.25million just to "open our doors" to provide facilities and staffing for our members. While this is pretty much matched by our member's subscriptions income, we are always looking for ways to control and contain these costs, without impairing the services to our members.

A few items to note on the balance sheet:

- Funds raised for the Clubhouse redevelopment and expenses incurred to date on the project are "capitalised" on the balance sheet. Funds raised being included in "Other Payables" and expenses incurred (mainly consultants fees so far) are included in "Property, Plant and Equipment";
- At year end the Club had \$3.1 million in the bank (\$2.5million for YE 2017); and
- Clubhouse redevelopment fees (charged to new members when they join) of \$225,000, have been included as revenue for the club but are transferred out of retained earnings and appear in the Clubhouse Redevelopment reserve.

Careful financial planning has gone into the sourcing of funds for the evolving Clubhouse Redevelopment project. With a budgeted total build cost of around \$5 million, the project will be funded by accumulated cash reserves and fund raising through the leasing of lockers, sale of life memberships and donations from members. Our target is to raise \$2 million, so far \$1 million has been raised. A modest bank "stand by" facility will be established, but that will only be used to cover any temporary cash needs for the project.

A major change this year will be our conversion to the Xero accounting system. Happening currently, this will enable direct feed of bank transactions into our accounting system and the storing of all accounting data in the "cloud".

I was appointed as Treasurer in August 2017. I am very pleased to be taking on the Commodore's role. The Treasurer's position will be ably taken up by Shaun Chalmers. Shaun and I have worked closely together over the last year and I know that he will do a great job as your Treasurer during this important next phase for your Club. Shaun is already undertaking a Financial Planning project initiated by your Committee. This project will thoroughly analyse our sourcing of revenue and where we spend our funds, now and in the future.

In closing I would like to thank our management team, our accounts contractor, Rosemary Trevethan and our Finance Committee for their support during the year. We have kicked a few goals this year, or whatever the sailing equivalent of that saying is!

Graham Cunningham

SORRENTO SAILING COUTA BOAT CLUB INC.

(Incorporated under the Associations Incorporation Reform Act (Vic) 2012)

FINANCIAL REPORT

FOR THE YEAR ENDED

31 MARCH 2018

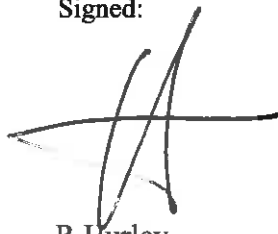
SORRENTO SAILING COUTA BOAT CLUB INC.

ANNUAL STATEMENTS GIVE TRUE AND FAIR VIEW OF  
FINANCIAL POSITION OF INCORPORATED ASSOCIATION

We, Richard Hurley and Graham Cunningham, being members of the Committee of the Sorrento Sailing Couta Boat Club Inc., certify that—

The statements attached to this certificate give a true and fair view of the financial position of the Sorrento Sailing Couta Boat Club Inc. during and at the end of the financial year of the association ending on 31 March 2018.

Signed:



R Hurley  
Commodore

Dated:

29 May 2018

Signed:



G Cunningham  
Treasurer

Dated: 29 May 2018.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF SORRENTO SAILING COUTA BOAT CLUB INC.**

**Opinion**

We have audited the financial report of Sorrento Sailing Couta Boat Club Inc (the Club), which comprises the statement of financial position as at 31 March 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Director's declaration.

In our opinion, the financial report of Sorrento Sailing Couta Boat Club Inc is in accordance with *Associations Incorporation Reform Act 2012 (VIC)*, including:

- (a) giving a true and fair view of the Entity's financial position as at 31 March 2018 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards- Reduced Disclosure Requirements.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Responsibilities of Directors for the Financial Report**

The Committee of Sorrento Sailing Couta Boat Club Inc. are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Associations Incorporation Reform Act 2012 (VIC)*. The Committee's responsibility also includes such internal controls as the Committee determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Committee either intends to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF SORRENTO SAILING COUTA BOAT CLUB INC. (CONTINUED)**

**Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.


As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



McLean Delmo Bentleys Audit Pty Ltd



Martin Fensome  
Partner

Hawthorn

31 May

2018

SORRENTO SAILING COUTA BOAT CLUB INC.  
STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2018

	NOTE	<u>2018</u> \$	<u>2017</u> \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	4	715,354	194,726
Inventory		79,254	91,324
Trade and Other Receivables	6	138,745	146,298
Prepayments		75,304	64,883
Financial Assets	5	2,398,691	2,353,904
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<b>TOTAL CURRENT ASSETS</b>		<b>3,407,348</b>	<b>2,851,135</b>
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<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipment	7	4,086,694	4,028,001
Club Trophies		11,730	11,730
		-----	-----
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,098,424</b>	<b>4,039,731</b>
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<b>TOTAL ASSETS</b>		<b>7,505,772</b>	<b>6,890,866</b>
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<b>CURRENT LIABILITIES</b>			
Other Payables	8	459,507	189,200
Provisions	9	102,466	79,632
		-----	-----
<b>TOTAL CURRENT LIABILITIES</b>		<b>561,973</b>	<b>268,832</b>
		-----	-----
<b>NON-CURRENT LIABILITIES</b>			
Provisions	9	-	-
		-----	-----
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>-</b>
		-----	-----
<b>TOTAL LIABILITIES</b>		<b>561,973</b>	<b>268,832</b>
		-----	-----
<b>NET ASSETS</b>		<b>6,943,799</b>	<b>6,622,034</b>
		=====	=====
<b>EQUITY</b>			
Retained Earnings	11	1,133,073	976,095
Reserves	12	5,810,726	5,645,939
		-----	-----
<b>TOTAL EQUITY</b>		<b>6,943,799</b>	<b>6,662,034</b>
		=====	=====

SORRENTO SAILING COUTA BOAT CLUB INC.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

	NOTE	<u>2018</u> \$	<u>2017</u> \$
Revenues from operations	2	2,933,224	2,658,108
Depreciation and amortisation expenses	3	(246,751)	(228,666)
Other expenses		(2,364,708)	(2,079,531)
Surplus before income tax expense		<u>321,765</u>	<u>349,911</u>
Income tax expense	10	-	-
Surplus after income tax expense		<u>321,765</u>	<u>349,911</u>
Total Comprehensive Income		<u><u>321,765</u></u>	<u><u>349,911</u></u>

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS

-3-  
SORRENTO SAILING COUTA BOAT CLUB INC.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

	Retained Earnings	Youth Fund	Jetty Development	Clubhouse Building	Asset Revaluation	Total
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 April 2016</b>	3,133,184	66,781	14,000	3,020,725	37,433	6,272,123
Surplus attributable to members	349,911	-	-	-	-	349,911
Other comprehensive income for the year	-	-	-	-	-	-
Transfer from/(to) reserves	<u>(2,507,000)</u>	-	<u>7,000</u>	<u>2,500,000</u>	-	-
<b>Balance at 31 March 2017</b>	<u>976,095</u>	<u>66,781</u>	<u>21,000</u>	<u>5,520,725</u>	<u>37,433</u>	<u>6,622,034</u>
Surplus attributable to members	321,765	-	-	-	-	321,765
Other comprehensive income for the year	-	-	-	-	-	-
Transfer from/(to) reserves	<u>(164,787)</u>	<u>(66,781)</u>	<u>7,000</u>	<u>224,568</u>	-	-
<b>Balance at 31 March 2018</b>	<u>1,133,073</u>	-	<u>28,000</u>	<u>5,745,293</u>	<u>37,433</u>	<u>6,943,799</u>

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS



SORRENTO SAILING COUTA BOAT CLUB INC.

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 MARCH 2018

	NOTE	<u>2018</u> \$	<u>2017</u> \$
Cash Flows from Operating Activities:			
- Receipts from Members		1,772,229	1,609,891
- Fundraising & Sundry Receipts		1,446,817	1,272,636
- Payments to Employees, Suppliers & Others		(2,435,472)	(2,369,092)
- Interest Received		85,382	51,779
Net Cash Provided by Operating Activities		<u>868,956</u>	<u>565,214</u>
Cash Flows from Investing Activities:			
- Fixed assets purchases		(313,359)	(303,773)
- Proceeds on disposal of fixed assets		9,818	46,000
- Proceeds from/(Payment for) other Financial assets		(44,787)	(1,769,160)
Net Cash Used in Investing Activities		<u>(348,328)</u>	<u>(2,026,933)</u>
Net Increase/ Decrease in Cash Held		520,628	(1,461,719)
Cash at Beginning of Year		194,726	1,656,445
Cash at End of Financial Year	4	<u>715,354</u>	<u>194,726</u>

THE ACCOMPANYING NOTES FROM PART OF THESE FINANCIAL STATEMENTS

SORRENTO SAILING COUTA BOAT CLUB INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1. STATEMENT OF ACCOUNTING POLICIES

Sorrento Sailing Couta Boat Club Inc. applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Associations Incorporation Reform Act 2012*. Sorrento Sailing Couta Boat Club Inc. is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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 by the club in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual 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.

(a) Property, Plant and Equipment

Each class of property, plant and equipment is shown at cost or fair value and is depreciated over their expected useful economic life. The Club received the benefit of voluntary labour and direct payment for materials for some of these works from members. The aggregate value of these contributions of time and in kind have not been taken up in these financial statements because their measurement is not possible.

**Moorings**

The Club capitalises purchased moorings at cost. The cost associated with these assets includes both the authority for mooring or berthing a vessel in a regulated area and the mooring tackle.

**Depreciation**

The depreciable amount of all fixed assets including buildings, are depreciated on either a straight line or diminishing value basis, depending on the class of asset, over their useful lives to the Club commencing from the time the asset is held for use.

SORRENTO SAILING COUTA BOAT CLUB INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1(a) Property, plant and equipment (cont)

Depreciation (cont)

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

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings	2.5%
Plant, Equipment & Furniture	10%-33.3%
Water Storage & Treatment	2.5%-3%
Jetty	5%
Boats	7.5% -20%
Moorings	2.5%
Motor Vehicles	22.5%-33.3%

(b) Revenue

(i) Operational

The Club derives its income from the operations of a Sailing Club. Revenue from the sale of goods and services is recognised upon the delivery of goods and services to customers. Members' annual subscriptions are accounted for on an accruals basis. Subscriptions received in respect of the year ending 31 March 2019 are recorded as income in advance and will be brought to account as income in that year. New members' joining fees are accounted for on receipt.

(ii) Fund Raising

Funds raised for the Clubhouse Redevelopment project including lease of lockers, donations and the issuing of paid Life memberships are recorded as income in advance and are recorded as income when the Redevelopment project.

(iii) Australian Sports Foundation Donations

The Club has also been the recipient of Grants from the Australian Sports Foundation. These grants represent the funds contributed to the Foundation by members nominating the Clubhouse Redevelopment Project as their preferred beneficiary. The grants are accounted for as income when received from the Foundation.

(c) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of the acquisition of the asset or as an item of the expenses. Receivables and payables in the balance sheet are shown inclusive of GST.

SORRENTO SAILING COUTA BOAT CLUB INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

- (d) Inventories  
Inventories are measured at the lower of cost and net realisable value.
- (e) Club Trophies  
The Club silver and plate trophies are recorded at their insurance valuations.
- (f) Employee Benefits  
Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other 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.

Employee benefit provisions are reported as current liabilities where the Club does not have an unconditional right to defer settlement for at least 12 months.

- (g) Fair Value Measurement  
The Club measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Club would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

SORRENTO SAILING COUTA BOAT CLUB INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

(g) Fair Value Measurement (cont)

To the extent possible, market information is extracted from the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, information is extracted from the most advantageous market available to the entity at the reporting date (ie the market that maximises the receipts from the sale of the asset or minimises the payment made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

(h) Use of estimates and judgements

The preparation of a financial report 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 experiences 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.

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

(i) 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.

SORRENTO SAILING COUTA BOAT CLUB INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

(j) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(k) Accounts Payable and Other Payables

Accounts payable and other payables represent the liabilities outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(l) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

SORRENTO SAILING COUTA BOAT CLUB INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

	<u>2018</u>	<u>2017</u>
	\$	\$
<b>2. REVENUE</b>		
Members' annual subscriptions	1,274,131	1,161,133
Joining Fees	297,032	283,026
Sponsorship & Advertising	199,884	156,367
Race fees	22,516	25,075
Training	128,866	104,370
Social Auxiliary, Bar, Catering, Merchandise & Galley	792,201	743,330
Nationals & Regatta	19,450	25,142
Yachting Organisation Levies	86,062	75,553
Interest received	74,931	73,985
Donations	31,727	1,250
Sundry Income	6,424	8,877
Total revenue	<u>2,933,224</u>	<u>2,658,108</u>
<b>3. PROFIT FOR THE YEAR</b>		
Profit for the year before income tax expense has been determined after:-		
Expenses		
Cost of sales	382,366	395,057
Depreciation	246,751	228,666
Audit fee	6,350	8,000
Employee benefit costs	853,108	752,852
(Profit) / Loss on sale of assets	(1,903)	(24,560)

SORRENTO SAILING COUTA BOAT CLUB INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

	<u>2018</u>	<u>2017</u>
	\$	\$
<b>4. CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	500	500
Bank Accounts	272,089	29,714
Term Deposits (Original maturity of 90 Days or less)	442,765	164,512
	<u>715,354</u>	<u>194,726</u>
<p>Cash at the end of the financial year as shown in the cash flow statement. The effective interest rate on short-term bank deposits was 2.2 % (2017: 2.3%); these deposits have an average maturity of 90 days.</p>		
<b>5. FINANCIAL ASSETS</b>		
Term Deposits (Original maturity of more than 90 days)	16 2,398,691	2,353,904
<p>The effective interest rate on short-term bank deposits was 2.53 % (2017: 2.81%); these deposits have an average maturity of 6 Months.</p>		
<b>6. TRADE AND OTHER RECEIVABLES</b>		
Trade Debtors	112,334	109,436
Sundry Debtors	26,411	36,862
	<u>138,745</u>	<u>146,298</u>
<b>7. PROPERTY, PLANT &amp; EQUIPMENT</b>		
<b>Boats and Moorings</b>		
Cost	1,352,089	1,192,248
Less Accumulated Depreciation	(602,897)	(519,969)
	<u>749,192</u>	<u>672,279</u>
<b>Buildings and Improvements</b>		
Cost	3,647,824	3,647,824
Less Accumulated Depreciation	(1,008,791)	(917,595)
	<u>2,639,033</u>	<u>2,730,229</u>
<b>Water Storage &amp; Treatment</b>		
Cost	180,493	180,493
Less Accumulated Depreciation	(63,326)	(59,440)
	<u>117,167</u>	<u>121,053</u>



SORRENTO SAILING COUTA BOAT CLUB INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

	<u>2018</u>	<u>2017</u>
	\$	\$
7. PROPERTY, PLANT & EQUIPMENT		
(continued)		
Motor Vehicles		
Cost	113,303	97,985
Less Accumulated Depreciation	(40,419)	(18,946)
	<u>72,884</u>	<u>79,039</u>
Jetty		
Fair Value	350,000	350,000
Cost	-	-
Less Accumulated Depreciation	(52,500)	(35,000)
	<u>297,500</u>	<u>315,000</u>
Plant, Equipment & Furniture		
Cost	518,998	498,421
Less Accumulated Depreciation	(417,788)	(388,020)
	<u>101,210</u>	<u>110,401</u>
Capital Works in Progress		
Cost	109,708	-
	<u>109,708</u>	<u>-</u>
Total Property, Plant & Equipment	<u>4,086,694</u>	<u>4,028,001</u>

Movements in the carrying amounts for each class of fixed assets between the beginning and end of the financial year are reconciled as follows:

	<u>Opening</u>	<u>Additions</u>	<u>Depreciation</u>	<u>Revaluation</u>	<u>Transfers</u>	<u>Disposals/ Assets Written Off</u>	<u>Closing</u>
	<u>Balance</u>						<u>Balance</u>
<u>2018</u>	\$	\$	\$	\$	\$	\$	\$
Boats and Moorings	672,279	165,939	(82,928)	-	1,818	(7,916)	749,192
Buildings	2,730,229	-	(91,196)	-	-	-	2,639,033
Water Storage & Treatment	121,053	-	(3,886)	-	-	-	117,167
Motor Vehicles	79,039	15,318	(21,473)	-	-	-	72,884
Jetty	315,000	-	(17,500)	-	-	-	297,500
Plant and Equipment	110,401	22,395	(29,768)	-	(1,818)	-	101,210
Capital Works in Progress	-	109,708	-	-	-	-	109,708
	<u>4,028,001</u>	<u>313,360</u>	<u>(246,751)</u>	<u>-</u>	<u>-</u>	<u>(7,916)</u>	<u>4,086,694</u>

**Fair Value of Jetty**

An independent appraisal of the jetty was undertaken by The Wooden Boat Shop in February 2015. The jetty is valued using the depreciated replacement cost method. Replacement costs relate to costs to replace the jetty to an "as new" standard. The value was adopted by the Club at 31 March 2015.

SORRENTO SAILING COUTA BOAT CLUB INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

	<u>2018</u>	<u>2017</u>
	\$	\$
<b>8. TRADE AND OTHER PAYABLES</b>		
Other Payables	423,623	155,920
Income in Advance	35,884	33,280
	-----	-----
	<u>459,507</u>	<u>189,200</u>

**9. PROVISIONS**

Current		
Provision for Employee Entitlements	102,466	79,632
	-----	-----
Non Current		
Provision for Employee Entitlements	-	-
	-----	-----
	<u>102,466</u>	<u>79,632</u>

**Provision for Current Employee Entitlements**

The provision for employee benefits represents amounts accrued for leave.

Based on past experience, the club expects the full amount of the leave balance to be settled within the next 12 months. Further, these amounts must be classified as current liabilities since the association does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlements.

**10. INCOME TAX**

The Club is not liable for income tax, as it is a non-profit organisation within the meaning of Section 50-45 of the Australian Income Tax Assessment Act, 1997, as amended.

SORRENTO SAILING COUTA BOAT CLUB INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

	<u>2018</u>	<u>2017</u>
	\$	\$
<b>11. RETAINED EARNINGS</b>		
Retained earnings at the beginning of the financial period	976,095	3,133,184
Net surplus attributable to the Club	321,765	349,911
	-----	-----
	1,297,860	3,483,095
Transfers from/(to) Reserves:		
Youth Fund	66,781	-
Jetty Development	(7,000)	(7,000)
Clubhouse Building	(224,568)	(2,500,000)
	-----	-----
Retained Earnings at the end of the financial period	<u>1,133,073</u>	<u>976,095</u>
<b>12. RESERVES</b>		
Youth Fund	66,781	66,781
Jetty Development	28,000	21,000
Clubhouse Building	5,745,293	5,520,725
Asset Revaluation	37,433	37,433
	-----	-----
	<u>5,810,726</u>	<u>5,645,939</u>

The Youth Fund reserve was established to set aside funds generated to assist young sailors to fulfil their potential at a higher level. As this is not a separate entity and payments form part of the club expenses, these funds have been transferred to Retained earnings.

The Jetty Development reserve was created for the purpose of jetty improvement and repairs and maintenance.

The Asset Revaluation reserve records revaluations of non-current assets.

The Clubhouse Building reserve was created to identify the revenues generated from activities and initiatives to fund the building and refurbishment of the Clubhouse and infrastructure for the Club.

SORRENTO SAILING COUTA BOAT CLUB INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

13. RELATED PARTIES

- (a) Committee Members of the Sorrento Sailing Couta Boat Club Incorporated who held office at any time during the financial year were:

Charlotte Barnaby  
Shaun Chalmers  
Max Chester  
Graham Cunningham (Appointed 29/8/2017)  
Susan DiPierdomenico  
Richard Hurley  
Scott Llewelyn  
Drew Marget  
Philip Mellett (Resigned 29/8/2017)  
Phillip Wise  
Rollo Wright

- (b) During the year, the following transactions took place at normal commercial rates or terms more favourable to the Club:

- Receipt of subscriptions from office bearers and participation in Club activities.
- \$Nil (2017: \$1,189) was paid to Mark Lloyd for building maintenance works performed on the Clubhouse.

Key Management Personnel

The following persons were the key management personnel with responsibility for planning, directing and controlling the activities of the Club during the financial year:

Charlotte Barnaby	Shaun Chalmers
Max Chester	Graham Cunningham (Appointed 29/8/2017)
Susan DiPierdomenico	Philip Hall
Richard Hurley	Scott Llewelyn
Drew Marget	Philip Mellett (Resigned 29/8/2017)
Phillip Wise	Rollo Wright

	<u>2018</u>	<u>2017</u>
	\$	\$
Remuneration – short term benefits	143,761	141,159
Remuneration – long term benefits	-	-

No amount of remuneration was directly received or due and receivable by any Committee Member.

SORRENTO SAILING COUTA BOAT CLUB INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

14. COMMITMENTS

Operating Lease Commitments

	<u>2018</u>	<u>2017</u>
	\$	\$
Payable within 1 year	6,884	6,884
Payable after 1 year, not more than 5 years	27,536	27,536
Payables after 5 years	89,491	96,375
	-----	-----
Total Commitment	<u>123,711</u>	<u>130,795</u>

On 26 April 2016, the Club entered into a lease with the Mornington Shire Council for the foreshore land on which the Club buildings are situated. The lease term is 21 years, with annual rental being payable annually in advance during March of each year.

15. CONTINGENT LIABILITIES

There are no known contingent liabilities at year end

16. AFTER THE REPORTING PERIOD

No material events have occurred subsequent to the reporting date.

17. FAIR VALUE MEASUREMENTS

The company has the following assets, as set out in the table below, that are measured at fair value on a recurring basis after their initial recognition. The company does not subsequently measure any liabilities at fair value on a recurring basis and has no assets or liabilities that are measured at fair value on a non-recurring basis.

Recurring fair value measurements  
Held-to-maturity:

		<u>2018</u>	<u>2017</u>
		\$	\$
Term Deposits	5	<u>2,398,691</u>	<u>2,353,904</u>

SORRENTO SAILING COUTA BOAT CLUB INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

18. ASSOCIATION DETAILS

The principal place of business of the Club is:  
Sorrento Sailing Couta Boat Club Inc.  
Foreshore  
Sorrento  
Victoria 3943

**COMPILATION REPORT  
TO THE MEMBERS OF SORRENTO SAILING COUTA BOAT CLUB INC.**

We have compiled the accompanying special purpose financial statements of Sorrento Sailing Couta Boat Club Inc., which comprise the income and expenditure statement on pages 18 to 19, for the year then ended 31 March 2018. The specific purpose for which the special purpose financial statements have been prepared is to provide private information to the Board.

**The Responsibility of The Directors**

The directors of Sorrento Sailing Couta Boat Club Inc. are solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the financial reporting framework used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

**Our Responsibility**

On the basis of information provided by the directors we have compiled the accompanying special purpose financial statements in accordance with APES 315 *Compilation of Financial Information*.

We have applied our expertise in accounting and financial reporting to compile these financial statements. We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants*.

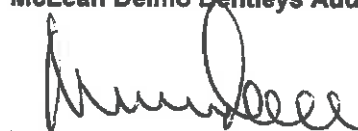
**Assurance Disclaimer**

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The special purpose financial statements were compiled exclusively for the benefit of the directors who are responsible for the reliability, accuracy and completeness of the information used to compile them. Accordingly, these special purpose financial statements may not be suitable for other purposes. We do not accept responsibility for the contents of the special purpose financial statements.



McLean Delmo Bentlys Audit Pty Ltd



**Martin Fensome**  
Partner

Hawthorn  
31 May 2018

SORRENTO SAILING COUTA BOAT CLUB INC.

INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDED 31 MARCH 2018

	<u>2018</u>	<u>2017</u>
	\$	\$
<b>GENERAL CLUB REVENUE</b>		
Subscriptions	1,274,131	1,161,133
Joining Fees	72,464	82,359
Clubhouse Refurb Fees	224,568	200,667
Interest	74,931	73,985
Other Misc items	61,343	62,618
Sub Total	<u>1,707,437</u>	<u>1,580,762</u>
<b>SPONSORSHIP</b>		
Revenue	198,514	155,682
Expenditure	<u>(42,768)</u>	<u>(44,749)</u>
Sub Total	155,746	110,933
<b>CATERING</b>		
Rental Income	244,436	242,286
Reimbursables	73,795	61,573
Catering R & M	<u>(23,820)</u>	<u>(20,368)</u>
Sub Total	294,411	283,491
<b>MERCHANDISING</b>		
Income	24,648	40,501
Expenses	<u>(34,065)</u>	<u>(33,838)</u>
Sub Total	(9,417)	6,663
<b>TRAINING CENTRE</b>		
Revenue	128,866	107,525
Expenses	<u>(158,207)</u>	<u>(135,463)</u>
Sub Total	(29,341)	(27,938)
<b>MEMBERSHIP SOCIAL ACTIVITIES</b>		
Revenue	174,210	94,066
Expenses	<u>(250,732)</u>	<u>(132,915)</u>
Sub Total	(76,522)	(38,849)
<b>RACING</b>		
Race Fees	22,516	25,075
Expenses	<u>(43,210)</u>	<u>(35,108)</u>
Sub Total	(20,694)	(10,033)



SORRENTO SAILING COUTA BOAT CLUB INC.

INCOME AND EXPENDITURE STATEMENT

	<u>2018</u>	<u>2017</u>
	\$	\$
<b>GENERAL CLUB EXPENSE</b>		
Administration	(92,528)	(93,036)
Insurance	(77,243)	(69,204)
Audit	(6,350)	(8,000)
Rent/Licenses	(55,862)	(67,678)
Computers	(19,838)	(35,455)
Postage, Printing & Stationery	(56,535)	(41,172)
Utilities	(53,772)	(61,248)
Telephone	(20,441)	(17,395)
Cleaning	(75,360)	(74,994)
Employment	(703,812)	(630,230)
Youth Foundation	(16,513)	(26,000)
Other	(69,198)	(33,553)
Sub Total	<u>(1,247,452)</u>	<u>(1,157,965)</u>
 <b>BUILDINGS &amp; BOATS</b>		
Building R & M	(72,771)	(102,432)
Boats R & M	(132,881)	(66,055)
Depreciation	(246,751)	(228,666)
Sub Total	<u>(452,403)</u>	<u>(397,153)</u>
 <b>SURPLUS FOR THE YEAR</b>	 <u>321,765</u>	 <u>349,911</u>