

St George Rowing Club Limited

ABN 15 318 390 356

Annual Report - 31 March 2019

St George Rowing Club Limited
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31 March 2019

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2019 CAPTAINS REPORT

I am pleased to report St.George Rowing Club is on track to finish in the top 12 clubs in the NSW Rowing Association (NSWRA) Premiership Shield. Although this result is a little disappointing compared to past seasons, it is still outstanding considering we competed at less regattas and had significantly fewer competitive rowers than in previous years.

Off the water the boatshed committee has again focused on maintaining the boatshed fleet in good racing and training condition. With an aging fleet this has been an issue for the last couple of seasons and a constant effort is required to ensure we get maximum use out of all our assets. We spent more than \$12,000 on boat, trailer and tinnie repairs during the season and purchased four new Sykes boats which three were proudly named Jacky Peile (2X), Peter McLaren (1X) and Mark Featherstone (4X). The latest new boat (4X) is yet to be named. Once again, a big thanks to Gary Dickens, Kevin Mansfield and Harry Battam for their continuous efforts to keep our fleet in good condition.

On the water St.George had a successful 2018/2019 season. Key highlights were:

- In May 2018, 7 rowers and their coach attended the Australian Masters Rowing Championships in Lake Barrington, Tasmania. This rowing course is undoubtedly one of the most beautiful in Australia and we had fantastic conditions. Although racing was tough, our club medalled in 18 events, collecting 7 gold, 5 silver and 6 bronze medals. Congratulations Andrea Cooze, Krys Macready and Alan Robertson, who won 9, 6 and 6 medals respectively.



- In October 2018, our mixed D eight went to Queensland to compete in the Head of the Brisbane which is a 5km time trial. It was a great event, and our club

support was much appreciated. Most pleasingly, St.George won the mixed D-grade category and looks forward to defending that title later this year.

- In November 2018, St.George sent three eights to Melbourne to compete in the annual Head of the Yarra, which is a race just for eights. This event has grown significantly in the last 4-5 years, with 256 crews from all over Australia and New Zealand competing in the 8.6km time trial on the Yarra River. Our men's Masters I eight (ie. crew average age is between 75-79) was 3rd in an adjusted time of 34min 11sec in their age category; our mixed Masters E eight (ie. crew average age is between 55-59) was 4th in an adjusted time of 37min 39sec and our mixed Masters D eight (ie. crew average age is between 50-54) was 1st out of 7 crews in an adjusted time of 32min 15sec.
- Our annual Christmas racing was a big success in December. Our club forms mixed quads from all its members, mixing age and competency levels, then races across Scylla Bay. This year racing was intense, fortunately energy stocks were quickly rejuvenated at the post-racing boatshed BBQ.



- In April 2019 we had the Edward Trickett NSW Grade Championships. Our club performed admirably winning 1 silver medal and 3 bronze medals. Most notable highlight was Star Paenga winning silver in the Mens D-grade single scull.
- In May 2019, St.George rowers collected 11 gold, 7 silver and 5 bronze medals in events at the NSW State Masters titles at Penrith. This was an outstanding achievement from the 21 rowers who competed in the 2 day regatta.

Finally, to operate a successful boatshed requires input from many individuals. Much thanks must go to the committee and all coaches for their efforts throughout the year as well as the many volunteers, parents and supporters - thank you all.

Steve Harrison
Captain

2019 CHAIRPERSON'S REPORT

This time of year brings the opportunity to reflect upon the many substantial achievements of the St George Rowing Club over the past 12 months. These include:

- Strong profitability, exceeding budget and the expectation set in our first Strategic Plan providing a solid financial platform for the future.
- Club Constitution strengthened to ensure that the club can continue to be governed for the benefit of its members and community and to support the sport of rowing. These changes were possible due to the highly valued contribution of club members and the wider rowing community. Our appreciation for this support cannot be understated.
- Invested in new equipment in our kitchen and gaming areas and developed further investment plans to widen the club service offerings, welcoming an ever growing local community.
- Invested in several new boats for our rowing shed at Como. This is the first time we have been able to do this for many years and plans are in place for further development of the shed.
- Government grant of \$200K for a boat racking upgrade at the Como shed. This will significantly improve the facilities for all rowers.

Completion of the upgraded parkland and pathways surrounding our club offers new and exciting opportunities for the future. Our goals for the future centre around growing with the local community.

Our club success this year has been as a result of the work and dedication of our CEO Lyndal Talarico and her enthusiastic team. I would also like to thank my fellow Board Members and the many volunteers who keep the club running with their ongoing and valued input.

Glenn Chuter

Chairperson

CEO REPORT 2019

Dear Members,

I am exceptionally proud of our achievements over the past year resulting with a net profit of \$253,000 which has seen us surpass the last two years trade.

The introduction of Mint Casual Dining has continued to be a great success which we will continue to build upon this year.

2019 food projects will include an external food truck offering to utilise our land space along with an additional Asian fusion style of pop up restaurant in our main lounge to provide two additional styles of food at the Rowers.

Our underutilised Paddles conference space will be refurbished into a whisky bar style venue for internal promotions, specialty events and availability for private hire. The room will have its own private bar and will coincide with the launch of our chef's table dining, wine and whiskey club and much more to come.

I would like to congratulate our St George rowers on their ongoing achievements over the past year both on and off the water. These athletes have not only achieved remarkable results competing but have been instrumental in achieving two government grants enabling the purchase of a defibrillator machine and new racking system at our Como Boat Shed.

We will be embarking on a new sports division at Wolli Creek to attract our locals and engage the community on the Cooks River whilst utilising our own and surrounding council facilities for 2019. This will also see the introduction of a sponsorship opportunity for both local and community Clubs.

I'd like to commend the following employees of our senior management team, Dimitra Kiriakopoulos, Candace Hutchison, Ann Pi, Cory Fenton and Alex Ross for their ongoing support and commitment to their roles and continually striving to achieve our overall vision of the Club.

To our supervisors, Kerry Stibbard, Tala Hammo and Raphael Garcia and front line staff many thanks for your tireless efforts in delivering excellent customer service to our members and guests.

To all of our members we value and appreciate your ongoing support and patronage to our club.

To the board, thank you for your assistance and support, I look forward to working with you towards the future success of the club, aligned with our strategic plan.

Lyndal Talarico
Chief Executive Officer

St George Rowing Club Limited
Directors' report
31 March 2019

The directors present their report, together with the financial statements, on the Club for the year ended 31 March 2019.

Information on directors

Name: Glenn Chuter
Title: Chairman
Experience and expertise: Director since May 2017 (2 years)

Name: Steven Harrison
Title: Director
Qualifications: Chemical Engineer
Experience and expertise: Director since June 2009 (10 years)

Name: John O'Brien
Title: Director
Experience and expertise: Director since June 2017 (2 years)

Name: Mark Featherstone
Title: Director
Experience and expertise: Director since November 2017 (1 year)

Name: Kevin Mansfield
Title: Director
Experience and expertise: Director since March 2019 (1 month) - appointed 19/02/2019

Name: Adrian Henning
Title: Director
Experience and expertise: Director since June 2017 (2 years) - appointed 22/06/2017 - resigned 15/01/2019

Name: Danny Josifovski
Title: Director
Experience and expertise: Director since July 2018 (2 months) - appointed 22/07/2018 - resigned 26/09/2018

Name: Margaret Henning
Title: Director
Experience and expertise: Director since June 2017 (10 months) - appointed 22/06/2017 - resigned 3/05/2018

Principal activities

The principal continuing activities of the Club during the year consisted of the promotion of and participation in the sport of amateur rowing, sailing and the operations of a registered club. No changes in these operations occurred during the year.

How these activities assist in achieving the objectives

The Principal activities of the club are aligned with the short and long term objectives.

Objectives

The Club's objectives are to continue to promote and participate in amateur rowing and provide a comfortable atmosphere and facilities for members and visitors to enjoy through the sustainable management of a Registered Club business.

Short term

- To manage the Club's revenue to ensure the ongoing financial viability of the Club for the benefit of all members and community stakeholders;
- To maintain modern facilities, services and amenities for the benefit of the local community;
- To ensure ongoing legislated compliance and best practice principles; and
- To support the competitive and social endeavours of amateur rowers and local sports.

St George Rowing Club Limited
Directors' report
31 March 2019

Long term

- Continual improvement of the Club's business to provide a sustainable local community resource;
- To maintain the Club as an integral part of the local community; and
- To provide continuing support for the community by ensuring ongoing employment, investment in facilities and direct contributions to not-for-profit community organisations.

Strategy for achieving the objectives

- To conduct and implement a strategic plan (for the first time) to ensure the objectives are achieved;
- Forecasting and measuring income and expenditure expectations based on prior results and identified industry and local trends;
- Ongoing investigation to other opportunities to strengthen the Club's financial position;
- Providing members and guests with a range of activities to foster participation;
- Regular training, attendance at industry seminars and on line learning for Board and management; and
- Maintaining relationships with local community organisations.

Key performance indicators

- Monthly review of financial performance to forecast expectations and prior year results;
- Monthly review of departmental results to verified industry and regional results where available;
- Monthly review of membership growth; and
- Regular meetings with local community groups.

Meetings of directors

The number of meetings of the Club's Board of Directors ('the Board') held during the year ended 31 March 2019, and the number of meetings attended by each director were:

	Full Board Attended	Held
Steven Harrison	13	13
Glenn Chuter	12	13
John O'Brien	12	13
Mark Featherstone	12	13
Margaret Henning	1	1
Adrian Henning	10	10
Danny Josifovski	2	3
Kevin Mansfield	1	1

Held: represents the number of meetings held during the time the director held office.

Membership

The Club is a company limited by guarantee and is without share capital.

The Club currently has 2,668 members in 2019 (2018: 2,238).

Members' Limited Liability

In accordance with the constitution of the Club, every member of the Club undertakes to contribute an amount limited to \$20 per member in the event of the winding up of the company during the time that he/she is a member or within one year thereafter. The total liability in the event of winding up is \$53,360 (2018: \$44,760).

Environmental Issues

The Directors believe the Club has complied with all significant environmental regulation under a law of commonwealth or of a state or territory.

St George Rowing Club Limited
Directors' report
31 March 2019

Indemnifying officer or auditor

During the year, the Club effected a Directors and Officer's liability policy. The insurance policy provides cover for the Directors named in this report, the company secretary, officers and former Directors and officers of the Club.

The policy prohibits the disclosure of the nature of the indemnification and the insurance cover, and the amount of the premium.

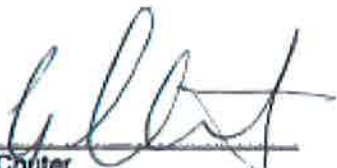
No indemnities have been given or insurance premium paid, during or since the end of the financial year, for any person who is or has been an auditor of the company.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors


Glenn Chuter
Chairman


Steven Harrison
Director

27 May 2019

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INDEPENDENT AUDITOR'S DECLARATION TO THE MEMBERS OF ST GEORGE ROWING CLUB

We hereby declare that to the best of our knowledge and belief during the year ended 31 March 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.

Name of Firm

Bishop Collins Audit Pty Ltd
Chartered Accountants

Name of Registered Company Auditor


Martin Le Marchant

Auditor's Registration No.

431227

Address

Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

Dated

27 May 2019



CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

LIABILITY LIMITED BY A SCHEME APPROVED UNDER THE PROFESSIONAL STANDARDS LEGISLATION



Registered Company Auditors:

Glenn A Harris CA

Martin Le Marchant CA

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST GEORGE ROWING CLUB LIMITED

Audit Opinion

We have audited the accompanying financial report of St George Rowing Club Limited ("the Club") which comprises the statement of financial position as at 31 March 2019, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' declaration of the Club.

In our opinion the accompanying financial report of St George Rowing Club Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Club's financial position as at 31 March 2019 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

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 Statements* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and 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; and we have 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 of our opinion.



LIABILITY LIMITED BY A SCHEME APPROVED UNDER THE PROFESSIONAL STANDARDS LEGISLATION





Directors' Responsibilities for the Financial Report

The Directors of the Club 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 *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of the 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 Directors are responsible for assessing the Club's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Club or to cease operations, or have no realistic alternative but to do so.

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 the 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement 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 Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Club'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 Club 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 the directors 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Name of Firm

Bishop Collins Audit Pty Ltd
Chartered Accountants

Name of Registered Company Auditor

Martin Le Marchant

Auditor's Registration No.

431227

Address

Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

Dated

27 May 2019

St George Rowing Club Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 March 2019

	Note	2019 \$	2018 \$
Revenue	4	4,172,791	3,978,917
Other income	5	7,764	2,538
Expenses			
Cost of goods sold		(777,171)	(819,494)
Entertainment, marketing and promotional costs		(196,889)	(169,236)
Professional service expenses		(37,845)	(71,960)
Employee benefits expenses		(1,331,118)	(1,448,594)
Poker machine licences and taxes expense		(274,310)	(225,279)
Depreciation and amortisation expense		(403,985)	(368,157)
Occupancy expenses		(123,628)	(119,416)
Doubtful debts expense		(10,855)	(2,953)
Capital asset write-off		-	(139,750)
Insurance expenses		(56,965)	(50,639)
Motor vehicle expenses		(7,625)	(15,065)
Rowing expenses		(6,519)	(9,122)
Clubhouse amenities		(145,066)	(125,031)
Repairs and maintenance expenses		(133,327)	(140,528)
Subscription expenses		(55,191)	(51,982)
Security expenses		(89,209)	(97,193)
Finance costs		(14,924)	(12,786)
Cleaning expenses		(62,035)	(59,962)
Other expenses		(200,857)	(191,680)
Surplus/(deficit) before income tax expense		253,036	(137,372)
Income tax expense		-	-
Surplus/(deficit) after income tax expense for the year	15	253,036	(137,372)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		253,036	(137,372)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

St George Rowing Club Limited
Statement of financial position
As at 31 March 2019

	Note	2019 \$	2018 \$
Assets			
Current assets			
Cash and cash equivalents	6	1,064,167	510,130
Trade and other receivables	7	43,479	34,760
Inventories	8	19,352	25,003
Other	9	92,826	39,155
Total current assets		<u>1,219,824</u>	<u>609,048</u>
Non-current assets			
Property, plant and equipment	10	1,730,946	1,954,694
Intangibles	11	71,046	71,046
Total non-current assets		<u>1,801,992</u>	<u>2,025,740</u>
Total assets		<u>3,021,816</u>	<u>2,634,788</u>
Liabilities			
Current liabilities			
Trade and other payables	12	205,551	191,131
Employee benefits	13	83,632	68,209
Other	14	217,731	113,582
Total current liabilities		<u>506,914</u>	<u>372,922</u>
Total liabilities		<u>506,914</u>	<u>372,922</u>
Net assets		<u>2,514,902</u>	<u>2,261,866</u>
Equity			
Retained surpluses	15	<u>2,514,902</u>	<u>2,261,866</u>
Total equity		<u>2,514,902</u>	<u>2,261,866</u>

The above statement of financial position should be read in conjunction with the accompanying notes

St George Rowing Club Limited
Statement of changes in equity
For the year ended 31 March 2019

	Retained surpluses \$	Total equity \$
Balance at 1 April 2017	2,399,238	2,399,238
Deficit after income tax expense for the year	(137,372)	(137,372)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(137,372)	(137,372)
Balance at 31 March 2018	<u>2,261,866</u>	<u>2,261,866</u>
	Retained surpluses \$	Total equity \$
Balance at 1 April 2018	2,261,866	2,261,866
Surplus after income tax expense for the year	253,036	253,036
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	<u>253,036</u>	<u>253,036</u>
Balance at 31 March 2019	<u>2,514,902</u>	<u>2,514,902</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

St George Rowing Club Limited
Statement of cash flows
For the year ended 31 March 2019

	Note	2019	2018
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		4,615,075	4,143,505
Payments to suppliers and employees (inclusive of GST)		(3,947,641)	(4,028,405)
Interest received		7,764	2,538
Rent received		74,000	110,620
Finance costs		(14,924)	(12,786)
Net cash from operating activities		734,274	215,472
Cash flows from investing activities			
Payments for property, plant and equipment	10	(180,237)	(302,271)
Net cash used in investing activities		(180,237)	(302,271)
Cash flows from financing activities			
Net cash from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		554,037	(86,799)
Cash and cash equivalents at the beginning of the financial year		510,130	596,929
Cash and cash equivalents at the end of the financial year	6	1,064,167	510,130

The above statement of cash flows should be read in conjunction with the accompanying notes

St George Rowing Club Limited
Notes to the financial statements
31 March 2019

Note 1. General information

The financial statements cover St George Rowing Club Limited as an individual entity. The financial statements are presented in Australian dollars, which is St George Rowing Club Limited's functional and presentation currency.

St George Rowing Club Limited is a not-for-profit unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 May 2019. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

AASB 9 Financial Instruments

The company has adopted AASB 9 from 1 April 2018. The standard introduced new classification and measurement models for financial assets.

The adoption of this Accounting Standard and Interpretation did not have any significant impact on the financial performance or position of the company.

Standards issued not yet effective

There are a number of new accounting standards and amendments issued, but not yet effective, none of which have been early adopted by the Company in this Financial Report. The Company has reviewed the impact of these changes and has determined that the adoption of these standards will not have a material effect on the financial position or performance of the Company, other than as set out below.

AASB 15: Revenue from Contracts with Customers

The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. The new revenue standard will become effective from the annual reporting period commencing 1 April 2019.

AASB 16: Leases

AASB 16 Leases will replace AASB 117 Leases and other interpretations. The new lease standard will become effective from the annual reporting period commencing 1 April 2019.

The company has not early adopted the standard as permitted by AASB 9, and intends to apply the exemptions available under AASB 16 for short term leases and low value underlying assets. In addition, the company intends to apply AASB 16 using the modified retrospective approach, along with practical expedients permitted by the standard. The modified retrospective approach does not require the restatement of comparative financial information.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

St George Rowing Club Limited
Notes to the financial statements
31 March 2019

Note 2. Significant accounting policies (continued)

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Club's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Comparatives

Certain comparative figures have been reclassified to conform to the current year's presentation.

Revenue recognition

The entity recognises revenue as follows:

Sale of goods

Revenue from the sale of goods comprises of revenue earned from the provision of food, beverage and other goods and is recognised (net of rebates, returns, discounts and other allowances) on the point of delivery as this corresponds to the transfer of significance risks and rewards of ownership of the goods.

Rendering of services

Rendering of services revenue is measured by reference to the stage of completion of the transaction.

Rent revenue

Rent revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Membership revenue

Membership revenue is recognised on a proportional basis over the period of the membership.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The directors are of the opinion that the Club is exempt from income tax pursuant to Section 50-45 of the Income Tax Assessment Act 1997.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 2. Significant accounting policies (continued)

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	10-20 years
Plant, furniture and fittings	3-15 years
Motor vehicles	4 years
Boats and rowing equipment	2-10 years
Poker machines	3-5 years

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

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Poker machine entitlements are not amortised. Instead poker machines entitlements are tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and are carried at cost less accumulated impairment issues.

Note 2. Significant accounting policies (continued)

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Estimation of useful lives of assets

The entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets

The entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

St George Rowing Club Limited
Notes to the financial statements
31 March 2019

Note 4. Revenue

	2019	2018
	\$	\$
<i>Sales revenue</i>		
Bar sales	768,242	758,512
Catering sales	974,359	929,354
Poker machine net clearances	1,727,113	1,542,275
Function revenue	438,401	415,864
Boatshed revenue	42,905	33,021
Tobacco and vending machine sales	2,416	18,140
Commissions received	57,835	66,899
Membership revenue	69,351	53,628
Raffle revenue	1,218	7,285
	<u>4,081,840</u>	<u>3,824,978</u>
<i>Other revenue</i>		
Rent	74,000	110,620
Other revenue	16,951	43,319
	<u>90,951</u>	<u>153,939</u>
Revenue	<u><u>4,172,791</u></u>	<u><u>3,978,917</u></u>

Note 5. Other income

	2019	2018
	\$	\$
Interest received	<u>7,764</u>	<u>2,538</u>

Note 6. Current assets - cash and cash equivalents

	2019	2018
	\$	\$
Cash on hand and at bank	<u>1,064,167</u>	<u>510,130</u>

Note 7. Current assets - trade and other receivables

	2019	2018
	\$	\$
Trade receivables	52,394	43,104
Less: Allowance for expected credit losses	<u>(40,643)</u>	<u>(29,455)</u>
	11,751	13,649
Other receivables	<u>31,728</u>	<u>21,111</u>
	<u><u>43,479</u></u>	<u><u>34,760</u></u>

Note 8. Current assets - inventories

	2019	2018
	\$	\$
Stock on hand - at cost	<u>19,352</u>	<u>25,003</u>

St George Rowing Club Limited
Notes to the financial statements
31 March 2019

Note 9. Current assets - other

	2019 \$	2018 \$
Prepayments	87,926	39,155
Loan to employee	4,900	-
	<u>92,826</u>	<u>39,155</u>

Note 10. Non-current assets - property, plant and equipment

	2019 \$	2018 \$
Leasehold improvements - at cost	1,522,025	1,517,825
Less: Accumulated depreciation	(536,770)	(445,205)
	<u>985,255</u>	<u>1,072,620</u>
COMO Boatshed improvements - at cost	8,314	99,541
Less: Accumulated depreciation	(3,028)	(92,592)
	<u>5,286</u>	<u>6,949</u>
Plant, furniture and fittings - at cost	945,659	1,527,904
Less: Accumulated depreciation	(519,905)	(1,013,517)
	<u>425,754</u>	<u>514,387</u>
Motor vehicles - at cost	53,019	53,019
Less: Accumulated depreciation	(53,019)	(41,964)
	<u>-</u>	<u>11,055</u>
Boats and rowing equipment - at cost	336,557	828,390
Less: Accumulated depreciation	(153,466)	(685,093)
	<u>183,091</u>	<u>143,297</u>
Poker machines - at cost	560,812	1,331,500
Less: Accumulated depreciation	(429,252)	(1,125,114)
	<u>131,560</u>	<u>206,386</u>
	<u>1,730,946</u>	<u>1,954,694</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Leasehold Improvements	Plant, furniture and fittings	Motor vehicles	Boats and rowing equipment	Poker machines	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 April 2018	1,079,570	514,388	11,055	143,296	206,385	1,954,694
Additions	4,200	59,613	-	88,424	28,000	180,237
Depreciation expense	(93,229)	(148,247)	(11,055)	(48,629)	(102,825)	(403,985)
Balance at 31 March 2019	<u>990,541</u>	<u>425,754</u>	<u>-</u>	<u>183,091</u>	<u>131,560</u>	<u>1,730,946</u>

Core and Non-Core Property

The buildings at 1 Levey Street, Wolli Creek, NSW 2305 are considered Core Property of the Club.

St George Rowing Club Limited
Notes to the financial statements
31 March 2019

Note 11. Non-current assets - intangibles

	2019 \$	2018 \$
Poker machines entitlements	71,046	71,046

Note 12. Current liabilities - trade and other payables

	2019 \$	2018 \$
Trade payables	58,524	76,896
Poker machine duty	25,922	16,000
BAS payable	49,730	34,264
Other payables and accruals	71,375	63,971
	<u>205,551</u>	<u>191,131</u>

Note 13. Current liabilities - employee benefits

	2019 \$	2018 \$
Annual leave	63,210	51,181
Long service leave	20,422	17,028
	<u>83,632</u>	<u>68,209</u>

Note 14. Current liabilities - other

	2019 \$	2018 \$
Deposits received	16,279	32,511
Revenue received in advance	-	45,644
Membership subscriptions received in advance	41,452	35,427
Grant revenue received in advance	160,000	-
	<u>217,731</u>	<u>113,582</u>

Note 15. Equity - retained surpluses

	2019 \$	2018 \$
Retained surpluses at the beginning of the financial year	2,261,866	2,399,238
Surplus/(deficit) after income tax expense for the year	253,036	(137,372)
Retained surpluses at the end of the financial year	<u>2,514,902</u>	<u>2,261,866</u>

St George Rowing Club Limited
Notes to the financial statements
31 March 2019

Note 16. Key management personnel disclosures

Compensation

Key management of the Club are the Board of Directors, chief executive officer and operations manager. Directors do not receive remuneration. Key management personnel remuneration includes the following aggregate compensation:

	2019 \$	2018 \$
Aggregate compensation	188,266	182,154
	2019 \$	2018 \$
Other key management disclosure		
Deposit paid to university on behalf of Lyndal Talarico	2,112	-
Loan to Dimi Kiriakopoulos	4,900	-
Total as at 31 March 2019	7,012	-

Note 17. Contingent liabilities

The Club has given the following bank guarantees:

	2019 \$	2018 \$
Rockdale City Council Footpath Protection	6,000	6,000
TAB	5,000	5,000
	11,000	11,000

The Club's management is currently engaged in a legal matter with a former director. The matter is ongoing at the time of the publication of the financial report and no certainty exist if the claim will be sustained.

Note 18. Commitments

	2019 \$	2018 \$
<i>Lease commitments - operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	115,944	105,037
One to five years	477,487	420,149
More than five years	626,814	699,457
	1,220,245	1,224,643

Operating lease commitments includes contracted amounts for the Clubhouse land and car park, and the COMO boatshed under non-cancellable operating leases expiring in 2029 and 2028 respectively. These leases have escalation clauses and payments will increase annually in line with the consumer price index.

Note 19. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 16.

St George Rowing Club Limited
Notes to the financial statements
31 March 2019

Note 19. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

	2019 \$	2018 \$
Director training, meals and refreshments	3,906	10,754

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	2019 \$	2018 \$
Current receivables:		
Deposit paid to university on behalf of Lyndal Talarico	2,112	-
Loan to Dimi Kiriakopoulos	4,900	-

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 20. Events after the reporting period

On 2 April 2019, the Board received a letter of demand from the Generate Group for \$21,788. According to the letter of demand, the Club infringed on Generate Group's copyright by utilising "Flowtech" on beverage dispensers since February 2015. The letter of demand is currently with the legal advisors of the Club.

Apart from the matter noted above, there has been no other matter or circumstance that has arisen since 31 March 2019 that has significantly affected, or may significantly affect the entity's operations, the results of those operations, or the entity's state of affairs in future financial years.

No other matter or circumstance has arisen since 31 March 2019 that has significantly affected, or may significantly affect the entity's operations, the results of those operations, or the entity's state of affairs in future financial years.

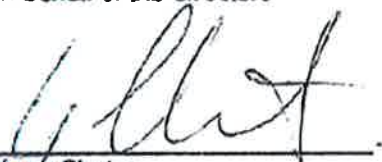
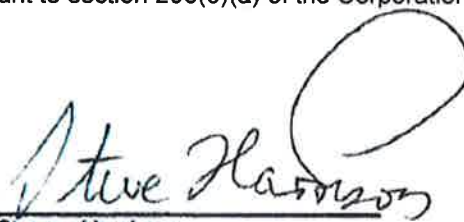
St George Rowing Club Limited
Directors' declaration
31 March 2019

In the directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Club's financial position as at 31 March 2019 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors


Glen Chuter
Chairman
Steven Harrison
Director

27 May 2019