

Little Ship Club Queensland Squadron
ABN 31 009 823 590

Financial Statements
For the year ended 30 June 2019



Little Ship Club Queensland Squadron ABN 31 009 823 590

Contents

<u>Directors' Report</u>	<u>3</u>
<u>Auditor's Independence Declaration</u>	<u>5</u>
<u>Statement of Profit or Loss and Other Comprehensive Income</u>	<u>6</u>
<u>Statement of Financial Position</u>	<u>7</u>
<u>Statement of Changes in Equity</u>	<u>8</u>
<u>Statement of Cash Flows</u>	<u>9</u>
<u>Notes to the Financial Statements</u>	<u>12</u>
<u>Directors' Declaration</u>	<u>20</u>
<u>Independent Auditor's Report</u>	<u>21</u>
<u>Trading Account</u>	<u>23</u>

Little Ship Club Queensland Squadron ABN 31 009 823 590

Directors' Report

Your directors present this report on the company for the financial year ended 30 June 2019.

Directors

The names of the directors in office at any time during or since the end of the year are:

Rodney Owen Johnston
 Daryl Graham Home
 John Eric Cross (Appointed 18/11/2018)
 Michael Sullivan (Appointed 18/11/2018)
 Lee Shannon-Delaney (Appointed 18/11/2018)
 Lance Magnussen (Appointed 03/07/2019)
 Michelle Jean Louise Maschmedt (Appointed 08/05/2019, Resigned 09/08/2019)
 John James Wilson (Resigned 12/12/2018)
 Phillip Maschmedt (Resigned 21/04/2019)
 Robert Andrew Robergs (Appointed 27/12/2018, Resigned 28/03/2019)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Operating Result

The loss of the company for the financial year after providing for income tax amounted to:

Year ended 30 June 2019	Year ended 30 June 2018
\$	\$
(150,122)	(129,329)

Principal Activities

The principal activities of the company during the course of the year were the provision of facilities to foster and improve recreational boating in Northern Moreton Bay.

No significant change in the nature of these activities occurred during the year.

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.

Future Developments

The company expects to maintain the present status and level of operations and hence there are no likely developments in the operations in future financial years.

Little Ship Club Queensland Squadron ABN 31 009 823 590
Directors' Report

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Directors Benefits

No director has received or has become entitled to receive, during or since the financial year, a benefit because of a contract made by the company or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

Indemnifying Officer or Auditor

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial year, to any person who is or has been an officer or auditor of the company.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 has been included.

Signed in accordance with a resolution of the Board of Directors:



Rodney Owen Johnston
Director - Commodore



Daryl Graham Home
Director - Vice-Commodore

Little Ship Club Queensland Squadron ABN 31 009 823 590
Auditor's Independence Declaration

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 there have been :

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the Audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit

Mobbs & Company Pty Ltd
Stephen Shirley, Company Auditor Registration - #290262
Level 3, 225 Montague Rd, West End Qld 4101



Little Ship Club Queensland Squadron ABN 31 009 823 590
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2019

	Note	2019 \$	2018 \$
Revenue	<u>2</u>	878,199	873,239
Other revenue	<u>2</u>	68,519	143,425
Cost of sales		(418,442)	(394,053)
Gross profit		528,276	622,611
Marketing		(8,391)	(4,801)
Computer expenses		(6,276)	(6,102)
Administration expenses		(289,751)	(307,554)
Employment expenses		(371,848)	(406,390)
Funding Costs		(2,132)	(4,309)
Section Expenses		-	(22,784)
Profit (deficit) before income tax		(150,122)	(129,329)
Income tax (credit) expense		-	-
Profit (deficit) for the year		(150,122)	(129,329)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Total other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(150,122)	(129,329)

The accompanying notes form part of these financial statements.

Little Ship Club Queensland Squadron ABN 31 009 823 590
Statement of Financial Position as at 30 June 2019

	Note	2019 \$	2018 \$
Assets			
Current Assets			
Cash assets	<u>3</u>	96,941	220,673
Receivables		-	346
Inventories	<u>4</u>	41,209	31,961
Other		15,091	20,369
Total Current Assets		153,242	273,350
Non-Current Assets			
Property, plant and equipment	<u>5</u>	2,101,462	2,042,327
Total Non-Current Assets		2,101,462	2,042,327
Total Assets		2,254,704	2,315,677
Liabilities			
Current Liabilities			
Payables		140,770	71,495
Financial liabilities		6,788	15,199
Current tax liabilities		50,995	22,992
Provisions		13,719	727
Total Current Liabilities		212,273	110,413
Total Liabilities		212,273	110,413
Net Assets		2,042,431	2,205,264
Equity			
Reserves		1,420,461	1,420,461
Retained profits / (Accumulated losses)		621,970	784,803
Total Equity		2,042,431	2,205,264

The accompanying notes form part of these financial statements.

Little Ship Club Queensland Squadron ABN 31 009 823 590
Statement of Changes in Equity for the year ended 30/06/2019

	Notes	Retained Earnings	Capital Profit Reserve	Total
Balance at 01/07/2017		927,832	1,420,461	2,348,293
Comprehensive income				
Prior Years Adjustment		(13,700)		(13,700)
Loss attributable to the members		(129,329)		(129,329)
Other comprehensive income for the year				
Total comprehensive income for the year attributable to members of the entity		(143,029)	-	(143,029)
Balance at 30/06/2018		784,803	1,420,461	2,205,264
Comprehensive income				
Prior Year Adjustment		(12,711)		(12,711)
Loss attributable to the members		(150,122)		(150,122)
Other comprehensive income for the year				
Total comprehensive income for the year attributable to members of the entity		(162,833)	-	(162,833)
Balance at 30/06/2019		621,970	1,420,461	2,042,431

The accompanying notes form part of these financial statements.

Little Ship Club Queensland Squadron ABN 31 009 823 590
Statement of Cash Flows
For the year ended 30 June 2019

	2019	2018
	\$	\$
<hr/>		
Cash Flow From Operating Activities		
Receipts from customers	946,345	1,013,809
Payments to Suppliers and employees	(948,007)	(1,069,457)
Interest received	720	2,505
Interest and other costs of finance	(2,745)	(4,950)
Net cash provided by (used in) operating activities (note 2)	(3,688)	(58,093)
 Cash Flow From Financing Activities		
Proceeds of borrowings	(9,198)	2,032
(Increase) decrease in property, plant and equipment	(104,923)	(22,560)
Prior Year Adjustment	(12,711)	(13,700)
Net cash provided by (used in) financing activities	(126,832)	(34,228)
 Net increase (decrease) in cash held	 (130,520)	 (92,321)
 Cash at the beginning of the year	 220,673	 312,994
Cash at the end of the year (note 1)	90,153	220,673

The accompanying notes form part of these financial statements.

Little Ship Club Queensland Squadron ABN 31 009 823 590
Statement of Cash Flows
For the year ended 30 June 2019

2019

2018

Note 1. Reconciliation Of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Suncorp Main account #044932641	8,513	19,504
Suncorp ATM Imprest account #44932722	10,233	5,593
Suncorp Gaming account #044932684	-	3,450
BOQ LSGFC cheque account - #10391009	982	982
BOQ LSGFC WebSavings account - #20394792	24,300	24,559
BOQ LSC Fishing cheque - BOQ #20287931	923	922
Point of Sale Clearing	(6,788)	5,669
Managers Imprest - #8951	-	133
Term Deposit - #5153	-	2
Membership account #9550	1	116,757
Depreciation account #9517	-	13,382
Members Draw #6971	-	300
Social Members Draw 9504	-	20
Cruising Section #9253	500	1,818
BOQ Main Acc #22848152	22,521	-
BOQ Gaming #22848154	11,650	-
BOQ ATM Imprest #22848158	4,767	-
BOQ Managers Account #22848159	1,000	-
LSC Sailing Sect Cash on Hand	-	300
Petty cash	300	300
Gaming float	11,252	15,096
Kitchen float	-	300
Bar and Kitchen float	-	600
Change for Tills	-	3,000
ATM Safe float	-	5,540
Undeposited funds	-	2,446
	90,153	220,673
	90,153	220,673

The accompanying notes form part of these financial statements.

Little Ship Club Queensland Squadron ABN 31 009 823 590
Statement of Cash Flows
For the year ended 30 June 2019

	2019	2018
<hr/>		
Note 2. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Operating Profit After Income Tax		
Operating profit after income tax	(150,122)	(129,329)
Depreciation	39,787	39,787
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	346	(350)
(Increase) decrease in raw materials	(9,248)	(31,961)
(Increase) decrease in finished goods	-	37,411
(Increase) decrease in prepayments	5,277	1,840
Increase (decrease) in trade creditors and accruals	56,774	28,698
Increase (decrease) in other creditors	12,501	120
Increase (decrease) in employee entitlements	12,992	(5,308)
Increase (decrease) in sundry provisions	28,003	998
Net cash provided by (used in) operating activities	(3,688)	(58,093)

Little Ship Club Queensland Squadron ABN 31 009 823 590
Notes to the Financial Statements
For the year ended 30 June 2019

Note 1: Summary of Significant Accounting Policies

Little Ship Club Queensland Squadron is a company limited by guarantee, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 30th October 2019 by the directors of the company.

Basis of Preparation

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependant on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Corporations Act 2001.

The company is a not for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The material accounting policies that have been adopted in the preparation of the statements are as follows:

Accounting Policies

(a) Property, Plant and Equipment

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

Property

Freehold land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of profit and loss and other comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis.

Little Ship Club Queensland Squadron ABN 31 009 823 590
Notes to the Financial Statements
For the year ended 30 June 2019

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

Depreciation

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Buildings	25 - 3%
Furniture and equipment	11 - 40%
Motor Vehicles	30%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised immediately in profit or loss. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(b) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on a first-in first-out basis.

(c) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bond terms to maturity that match the expected timing of cash flows.

Little Ship Club Queensland Squadron ABN 31 009 823 590
Notes to the Financial Statements
For the year ended 30 June 2019

(d) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefit will result and that the outflow can be measured reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments.

(f) Revenue and Other Income

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

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

All dividends received shall be recognised as revenue when the right to receive the dividend has been established.

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

Investment property revenue is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the investment.

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

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO is included with other receivables or 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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(h) Trade and Other Payables

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

Little Ship Club Queensland Squadron ABN 31 009 823 590
Notes to the Financial Statements
For the year ended 30 June 2019

(i) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the company. The directors have decided not to early adopt any of the new and amended pronouncements.

Little Ship Club Queensland Squadron ABN 31 009 823 590
Notes to the Financial Statements
For the year ended 30 June 2019

2019

2018

Note 2: Revenue and Other Income**Sales revenue:**

Non-primary production trading revenue	878,199	873,239
	<u>878,199</u>	<u>873,239</u>

Other revenue:

Interest revenue	720	2,505
Grants Recieved	-	27,000
Member subs	50,036	55,757
Rebates and refunds	(308)	(27)
Sundry income	18,071	32,835
Section income	-	25,355
	<u>68,519</u>	<u>143,425</u>

Little Ship Club Queensland Squadron ABN 31 009 823 590

Notes to the Financial Statements

For the year ended 30 June 2019

	2019	2018
Note 3: Cash assets		
Bank accounts:		
- Suncorp Main account #044932641	8,513	19,504
- Suncorp ATM Imprest account #44932722	10,233	5,593
- Suncorp Gaming account #044932684	-	3,450
- BOQ LSGFC cheque account - #10391009	982	982
- BOQ LSGFC WebSavings account - #20394792	24,300	24,559
- BOQ LSC Fishing cheque - BOQ #20287931	923	922
- Point of Sale Clearing	-	5,669
- Managers Imprest - #8951	-	133
- Term Deposit - #5153	-	2
- Membership account #9550	1	116,757
- Depreciation account #9517	-	13,382
- Members Draw #6971	-	300
- Social Members Draw 9504	-	20
- Cruising Section #9253	500	1,818
- BOQ Main Acc #22848152	22,521	-
- BOQ Gaming #22848154	11,650	-
- BOQ ATM Imprest #22848158	4,767	-
- BOQ Managers Account #22848159	1,000	-
Other cash items:		
- LSC Sailing Sect Cash on Hand	-	300
- Petty cash	300	300
- Gaming float	11,252	15,096
- Kitchen float	-	300
- Bar and Kitchen float	-	600
- Change for Tills	-	3,000
- ATM Safe float	-	5,540
- Undeposited funds	-	2,446
	96,941	220,673

Note 4: Inventories

Current

Raw materials and stores at cost	41,209	31,961
	41,209	31,961

Little Ship Club Queensland Squadron ABN 31 009 823 590
Notes to the Financial Statements
For the year ended 30 June 2019

	2019	2018
Note 5: Property, Plant and Equipment		
Freehold land:		
- At cost	1,050,000	1,050,000
	1,050,000	1,050,000
Buildings:		
- At cost	1,383,317	1,348,205
- Less: Accumulated depreciation	(432,320)	(415,179)
	950,998	933,026
Furniture and equipment:		
- At cost	248,427	248,427
- Less: Accumulated depreciation	(246,271)	(244,291)
	2,156	4,136
Plant and equipment:		
- At cost	384,610	320,799
- Less: Accumulated depreciation	(306,971)	(286,804)
	77,639	33,996
Gaming machine equipment:		
- At cost	389,349	389,349
- Less: Accumulated amortisation	(369,179)	(369,179)
	20,170	20,170
Motor vehicles:		
- At cost	30,112	30,112
- Less: Accumulated depreciation	(29,613)	(29,114)
	499	998
	2,101,462	2,042,327

Note 6: Auditors' Remuneration

Remuneration of the auditor of the company for:

Auditing or reviewing the financial report	12,000	12,000
Other services	-	-
	12,000	12,000

Little Ship Club Queensland Squadron ABN 31 009 823 590
Notes to the Financial Statements
For the year ended 30 June 2019

2019

2018

Note 7: Members' Guarantee

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute to the assets of the Club, in the event of the Club being wound up, while that person is a Member, or within one year after that person ceased to be a Member, for payment of the debts and liabilities of the Club, contracted before that person ceases to be a Member, and of the costs, charges and expenses of winding up, and for adjustment of the rights of the contributories, among themselves, such amounts as may be required, not exceeding one hundred dollars (\$100.00)

Little Ship Club Queensland Squadron ABN 31 009 823 590
Directors' Declaration

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies prescribed in Note 1 to the financial statements.

The directors of the company declare that:

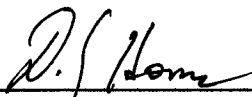
1. the financial statements and notes are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards described in Note 1 to the financial statements and the Corporations Regulations; and
 - (b) give a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors are responsible for the reliability, accuracy and completeness of the accounting records and the disclosure of all material and relevant information.

This declaration is made in accordance with a resolution of the Board of Directors.



Rodney Owen Johnston
Director - Commodore



Daryl Graham Home
Director - Vice-Commodore

Dated:

Little Ship Club Queensland Squadron ABN 31 009 823 590

Independent Auditor's Report

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Little Ship Club Queensland Squadron (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Little Ship Club Queensland Squadron is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, 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 Report section of our report. We are independent of the company in accordance with the auditor independence requirements of 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. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Little Ship Club Queensland Squadron ABN 31 009 823 590
Independent Auditor's Report

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 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 company'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 company'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 company 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.

Signed on : 4th November 2019



Stephen Shirley, Company Auditor Registration - #290262
Mobbs & Company Pty Ltd
Level 3, 225 Montague Rd, West End Qld 4101

Little Ship Club Queensland Squadron ABN 31 009 823 590

Trading Account

For the year ended 30 June 2019

	2019 \$	2018 \$
Trading Income		
Sales	823,620	804,318
Gaming Machines Profit	54,580	68,920
Total Trading Income	878,199	873,239
Cost of Sales		
Add:		
Opening stock - Bar	17,747	23,350
Opening stock - Merchandise	2,737	3,245
Opening stock - Bistro	11,477	10,816
Labour Hire Kitchen	24,574	11,998
Purchases	384,954	355,291
Gaming machine payouts	1,200	-
Monitoring & other fees	16,962	21,314
	<u>459,652</u>	<u>426,014</u>
Less:		
Bar stock	25,369	17,747
Merchandise stock	2,737	2,737
Food stock	13,103	11,477
	<u>41,209</u>	<u>31,961</u>
Cost of Sales	418,442	394,053
Gross Profit from Trading	<u>459,757</u>	<u>479,186</u>

The accompanying notes form part of these financial statements.