

LITTLE SHIP CLUB QUEENSLAND SQUADRON
(ABN 31 009 823 590)

2021 FINANCIAL REPORT



Phone / Fax: (07) 5502 8968

Mobile: 0430 132 902

Email: glen@auditright.com.au

Website: auditright.com.au

LITTLE SHIP CLUB QUEENSLAND SQUADRON ABN 31 009 823 590
CONTENTS OF 2021 FINANCIAL REPORT

CONTENTS	PAGE
Directors' Report	1-3
Auditor's Independence Declaration	4
Statement of Profit or Loss or Other Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9-20
Directors' Declaration	21
Independent Auditor's Report	22-24

LITTLE SHIP CLUB QUEENSLAND SQUADRON ABN 31 009 823 590
DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 JUNE 2021.

Directors

The names of each person who has been a director during the year and to the date of this report are:

John Eric Cross	(resigned 07/08/2020)
Michael Sullivan	(resigned 28/11/2020)
Lee Shannon-Delaney	
Lance Magnussen	
Mark Anthony Neilson	
Bruce Phillips	
Maria Louise Anderson	
Jennifer Anne Milward	(resigned 26/09/2020)
Sonia Bryant	(appointed 26/08/2020, resigned 28/11/2020)
Peter Shepherd	(appointed 28/11/2020)
Matt Tesch	(appointed 28/11/2020 , resigned 19/01/2021)
Dennis Cronin	(appointed 09/02/2021)

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

Principal Activities

- To foster and maintain the good fellowship that exists between all those who go to sea in little ships.
- To prepare a body of competent yacht operators ready and willing, in the even of war, to act as an auxiliary service in conjunction with the Royal Australian Navy, whenever so required by the Commonwealth of Australia.
- To keep Members in close and friendly association with each other, by frequent social gatherings on land and sea.
- To monitor and improve the yachting and boating facilities of Moreton Bay and surrounding waters, by ensuring Little Ship club representation at Small Craft Council meetings, and at other State and Commonwealth Body gatherings, as may be aligned to the interests of boating and yachting generally.
- To improve and protect the fishing in Moreton Bay and other waters, and in any practical manner suggested by Members.
- To hold meetings, discussions, conferences, and issue papers for the dissemination of news and information affecting the navigation and use of small ships and yachts, such as deeper channels and rarely used waterways, good fishing spots, bad weather anchorages, and any other matters of interest to the Club.
- To promote and foster boating and yachting sports, particularly to young people, encouraging and teaching boating and yachting skills, and safe boating practices.
- To develop and foster good relationships with kindred bodies or authorities.

Information on Directors

John Eric Cross	- Director
Experience	- Board member since 18/11/2018.
Special Responsibilities	- Commodore 23/03/2020 - 07/08/2020.
Michael Sullivan	- Director
Experience	- Board member since 18/11/2018.
Special Responsibilities	-
Lee Shannon-Delaney	- Director
Experience	- Board member since 18/11/2018.
Special Responsibilities	-
Lance Magnussen	- Director
Experience	- Board member since 03/07/2019.
Special Responsibilities	-

LITTLE SHIP CLUB QUEENSLAND SQUADRON ABN 31 009 823 590

DIRECTORS' REPORT

Mark Anthony Neilson	- Director
Experience	- Board member since 28/11/2019.
Special Responsibilities	- Vice Commodore 09/06/2020 - 09/08/2020.
	- Commodore from 09/08/2020.
Bruce Phillips	- Director
Experience	- Board member since 28/11/2019.
Special Responsibilities	- Rear Commodore 09/06/2020 - 09/08/2020.
	- Vice Commodore from 09/08/2020.
Maria Louise Anderson	- Director
Experience	- Board member since 28/11/2019.
Special Responsibilities	- Treasurer from 12/05/2020.
	- Rear Commodore from 09/08/2020.
Jennifer Anne Milward	- Director
Experience	- Board member since 18/07/2020.
Special Responsibilities	- Secretary 18/07/2020 - 26/09/2020.
Sonia Bryant	- Director
Experience	- Board member since 26/08/2020.
Special Responsibilities	-
Peter Shepherd	- Director
Experience	- Board member since 27/11/2020.
Special Responsibilities	- Secretary from 23/01/2020.
Matt Tesch	- Director
Experience	- Board member since 27/11/2020.
Special Responsibilities	-
Dennis Cronin	- Director
Experience	- Board member since 09/02/2021
Special Responsibilities	-

Meetings of Directors

During the financial year, 12 meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
John Eric Cross	1	0
Michael Sullivan	5	5
Lee Shannon-Delaney	12	10
Lance Magnussen	12	5
Mark Anthony Neilson	12	11
Bruce Phillips	12	12
Maria Louise Anderson	12	12
Jennifer Anne Milward	2	0
Sonia Bryant	4	2
Peter Shepherd	7	7
Matt Tesch	2	0
Dennis Cronin	4	3


LITTLE SHIP CLUB QUEENSLAND SQUADRON ABN 31 009 823 590
DIRECTORS' REPORT

The Entity is registered with ASIC and is an Entity limited by guarantee. If the Entity is wound up, the constitution states that each member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the entity.

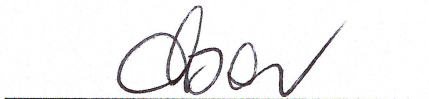
Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 JUNE 2021 has been received and can be found as part of the financial report.

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



Director



Director

Dated this 9th day of September 2021

LITTLE SHIP CLUB QUEENSLAND SQUADRON ABN 31 009 823 590

**AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT
2001 TO THE DIRECTORS OF LITTLE SHIP CLUB QUEENSLAND SQUADRON**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.



Glen Klein
Registered Company Auditor 385321
Director
Audit Right Pty Ltd

5 September 2021



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 2021

	Note	2021 \$	2020 \$
Revenue	2a	797,499.19	917,007.65
Administration expenses	2b	(80,452.89)	(88,105.93)
Operating expenses	2c	(423,792.14)	(524,610.21)
Service provision expenses	2d	<u>(159,691.16)</u>	<u>(318,455.35)</u>
Current year surplus before income tax		133,563.00	(14,163.84)
Income tax expense		<u>0.00</u>	<u>0.00</u>
Net current year surplus		133,563.00	(14,163.84)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss		0.00	0.00
Items that will be reclassified subsequently to profit or loss when specific conditions are met		<u>0.00</u>	<u>0.00</u>
Total other comprehensive income for the year		<u>0.00</u>	<u>0.00</u>
Total comprehensive income for the year		<u>133,563.00</u>	<u>(14,163.84)</u>
Total comprehensive income attributable to members of the entity		<u>133,563.00</u>	<u>(14,163.84)</u>

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 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash on hand	3	199,955.60	94,015.96
Accounts receivable and other debtors	4	27,175.80	17,329.49
Stock on hand	5	<u>16,231.40</u>	<u>14,007.92</u>
TOTAL CURRENT ASSETS		<u>243,362.80</u>	<u>125,353.37</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	<u>2,064,383.62</u>	<u>2,052,576.84</u>
TOTAL NON-CURRENT ASSETS		<u>2,064,383.62</u>	<u>2,052,576.84</u>
TOTAL ASSETS		<u>2,307,746.42</u>	<u>2,177,930.21</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	7a	142,068.49	111,911.65
Employee provisions	8	<u>3,847.32</u>	<u>5,409.01</u>
TOTAL CURRENT LIABILITIES		<u>145,915.81</u>	<u>117,320.66</u>
NON-CURRENT LIABILITIES			
Long term amounts payable	7b	<u>0.00</u>	<u>32,341.94</u>
TOTAL NON CURRENT LIABILITIES		<u>0.00</u>	<u>32,341.94</u>
TOTAL LIABILITIES		<u>145,915.81</u>	<u>149,662.60</u>
NET ASSETS		<u>2,161,830.61</u>	<u>2,028,267.61</u>
EQUITY			
Asset Revaluation Reserve		1,420,461.00	1,420,461.00
Retained surplus		<u>741,369.61</u>	<u>607,806.61</u>
TOTAL EQUITY		<u>2,161,830.61</u>	<u>2,028,267.61</u>

LITTLE SHIP CLUB QUEENSLAND SQUADRON ABN 31 009 823 590
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Retained Surplus / (Deficit)
	\$
Balance at 1 July 2019	621,970.45
Comprehensive income	
Surplus / (deficit) for the year attributable to members of the entity	(14,163.84)
Other comprehensive income for the year	<u>0.00</u>
Total comprehensive income attributable to members of the entity	(14,163.84)
Balance at 30 June 2020	607,806.61
Comprehensive income	
Surplus / (deficit) for the year attributable to members of the entity	133,563.00
Other comprehensive income for the year	<u>0.00</u>
Total comprehensive income attributable to members of the entity	<u>133,563.00</u>
Balance at 30 June 2021	<u><u>741,369.61</u></u>

LITTLE SHIP CLUB QUEENSLAND SQUADRON ABN 31 009 823 590
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from donations and operations		785,265.60	941,913.29
Payments to suppliers and employees		(632,079.46)	(930,719.03)
Interest received		163.80	56.95
Interest expense		<u>(3,421.48)</u>	<u>(4,636.77)</u>
Net cash (used in)/generated from operating activities	9	<u>149,928.46</u>	<u>6,614.44</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for plant and equipment		(43,988.82)	(2,751.10)
Proceeds of borrowings		<u>0.00</u>	<u>0.00</u>
Net cash used in investing activities		<u>(43,988.82)</u>	<u>(2,751.10)</u>
Net increase in cash held		105,939.64	3,863.34
Cash on hand at the beginning of the financial year		<u>94,015.96</u>	<u>90,152.62</u>
Cash on hand at the end of the financial year	3	<u>199,955.60</u>	<u>94,015.96</u>

The accompanying notes form part of these financial statements.

LITTLE SHIP CLUB QUEENSLAND SQUADRON ABN 31 009 823 590
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

The financial statements cover Little Ship Club Queensland Squadron as an individual entity, incorporated and domiciled in Australia. Little Ship Club Queensland Squadron is an Entity limited by guarantee.

The financial statements were authorised for issue on 5 September 2021 by the directors of the Entity.

Note 1: Summary of Significant Accounting Policies

Financial Reporting Framework

The directors have prepared the financial statements on the basis that the Entity is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Corporations Act 2001*. The Entity 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 those of previous periods unless stated otherwise.

Statement of Compliance

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001*, the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of the Accounting Standards AASB 101: *Presentation of Financial Statements*, AASB 107: *Cash Flow Statements*, AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1031: *Materiality* and AASB 1054: *Australian Additional Disclosures*.

The Entity has concluded that the requirements set out in AASB 10 and AASB 128 are not applicable as the initial assessment on its interests in other entities indicated that it does not have any subsidiaries, associates or joint ventures. Hence, the financial statements comply with all the recognition and measurement requirements in Australian Accounting Standards.

Basis of Preparation

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a. Revenue

Revenue Recognition

Contributed assets

The entity receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138.)

On initial recognition of an asset, the Entity recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer).

The Entity recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

LITTLE SHIP CLUB QUEENSLAND SQUADRON ABN 31 009 823 590
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 1: Summary of Significant Accounting Policies (cont'd)

Operating grants, donations and bequests

When the entity received operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15 .

When both these conditions are satisfied, the Entity: – identifies each performance obligation relating to the grant – recognises a contract liability for its obligations under the agreement – recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Entity:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9 , AASB 16 , AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Entity recognises income in profit or loss when or as it satisfies its obligations under the contract.

Capital grant

When the Entity receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The Entity recognises income in profit or loss when or as the Entity satisfies its obligations under the terms of the grant.

Interest income

Interest income is recognised using the effective interest method.

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

b. Property, Plant and Equipment

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and any impairment losses.

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 assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

In the event the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are recognised at the fair value of the asset at the date it is acquired.

LITTLE SHIP CLUB QUEENSLAND SQUADRON ABN 31 009 823 590
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 1: Summary of Significant Accounting Policies (cont'd)

Depreciation

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

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

Class of Fixed Asset	Depreciation Rate
Buildings	1.5-10%
Furniture and equipment	10-20%
Gaming machine equipment	3%
Motor vehicles	2%
Plant and equipment	5-33.33%

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 in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

c. Leases

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

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Entity uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

LITTLE SHIP CLUB QUEENSLAND SQUADRON ABN 31 009 823 590
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 1: Summary of Significant Accounting Policies (cont'd)

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Entity anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Concessionary Leases

For leases that have significantly below-market terms and conditions principally to enable the Entity to further its objectives (commonly known as peppercorn/concessionary leases), the Entity has adopted the temporary relief under AASB 2018-8 and measures the right of use assets at cost on initial recognition.

d. Impairment of Assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of asset, the entity estimates the recoverable amount of the asset. Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

e. Employee Provisions

Short-term employee benefits

Provision is made for the Entity's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Entity obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of accounts payable and other payables in the statement of financial position.

Contributions are made by the Entity to an employee superannuation fund and are charged as expenses when incurred.

f. 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.

g. Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from donors and any outstanding grant receipts. 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.

LITTLE SHIP CLUB QUEENSLAND SQUADRON ABN 31 009 823 590
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 1: Summary of Significant Accounting Policies (cont'd)

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(d) for further discussion on the determination of impairment losses.

h. 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.

i. Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

Intangible Assets

J. Software

Software is recorded at cost. Where software is acquired at no cost, or for a nominal cost, the cost is its fair value as at the date of acquisition. It has a finite life and is carried at cost less accumulated amortisation and any impairment losses. Software has an estimated useful life of between one and three years and is amortised on a straight-line basis.

k. Provisions

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

l. Comparative Figures

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

Where the Entity retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements must be presented.

m. Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Entity.

Key estimates

(i) Impairment

- The Entity assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Entity that may be indicative of impairment triggers.

LITTLE SHIP CLUB QUEENSLAND SQUADRON ABN 31 009 823 590
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 1: Summary of Significant Accounting Policies (cont'd)

(ii) Plant and equipment

- As indicated in Note 1(b) , the Entity reviews the useful life of plant and equipment on annual basis.

Key judgments

(i) Performance obligations under AASB 15

To identify a performance obligation under AASB 15 , the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

(ii) Lease term and Option to Extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the entity will make. The entity determines the likeliness to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the entity.

n. New and Amended Accounting Policies Adopted by the Entity

Initial application of AASB 16 : Leases

The Entity has adopted AASB 16 : *Leases* with a date of initial application of 1 July 2019. As a result, the Entity has changed its accounting policy leases recognition as detailed in this note.

The directors assessed that there is no material difference in the result of the Entity between applying AASB 117 and AASB 16 as the Entity only has rental expense related to low value and short term leases.

Initial application of AASB 15 and AASB 1058

The Entity has applied AASB 15 : *Revenue from Contracts with Customers* and AASB 1058 : *Income of Not-for-Profit Entities* using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118 : *Revenue* and AASB 1004 : *Contributions* .

The Entity has elected to apply AASB 1058 retrospectively only to contracts that are not completed contracts at the date of initial application.

LITTLE SHIP CLUB QUEENSLAND SQUADRON ABN 31 009 823 590
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 2: Net Current Year Surplus / (Deficit)

	2021	2020
	\$	\$
a. Revenue		
Bar Sales	503,740.68	430,212.63
Bistro Sales	55,449.25	218,549.86
Contributions	(3,598.85)	83,710.00
Fundraising	4,601.90	20,734.96
Gaming machines profit	31,834.81	37,267.53
Government Cashflow stimulus and Job Keeper	42,438.00	25,104.00
Grants received	32,732.00	0.00
Insurance proceeds	1,685.00	0.00
Interest received	163.80	56.95
Laundry machine income	425.45	118.18
Little Ship Game Fishing Club income	20,994.00	9,858.40
Membership	83,990.06	53,442.31
Merchandise Sales	14,200.22	699.98
Mooring and pontoon fees	331.82	3,203.14
Rebates and refunds	2,612.04	2,658.64
Restitution funds received	1,124.77	0.00
Sundry income	4,774.24	31,391.07
	<u>797,499.19</u>	<u>917,007.65</u>
b. Administration expenses		
Accounting and bookkeeping	22,493.08	39,932.72
Audit fees	5,000.00	5,454.55
Bad debts	0.00	1,787.55
Bank fees	5,106.20	5,321.30
Communications	4,248.69	4,256.78
Fees and permits	2,381.81	3,601.37
Gaming administration	17,817.01	15,911.70
Interest expense	3,421.48	4,636.77
Legal fees	90.00	393.75
Memberships and subscriptions	3,691.25	2,186.18
Postage, printing and stationery	5,170.17	4,163.05
Professional fees	9,821.81	0.00
Sundry expenses	1,211.39	460.21
	<u>80,452.89</u>	<u>88,105.93</u>

LITTLE SHIP CLUB QUEENSLAND SQUADRON ABN 31 009 823 590
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 2: Net Current Year Surplus / (Deficit) (con't)

	2021	2020
	\$	\$
c. Operating expenses		
Advertising	14,043.86	1,670.03
Cleaning and amenities	4,255.88	3,001.06
Computer expenses	8,018.77	10,672.82
Cost of Sales - Bar	180,604.61	180,667.90
Cost of Sales - Bistro	22,783.30	108,925.67
Cost of Sales - Merchandise	6,126.73	2,626.00
Depreciation	32,182.04	51,634.58
Donations and sponsorship	2,201.32	4,535.25
Electricity and gas	23,005.51	36,642.00
Equipment hire	1,844.55	1,759.00
Equipment purchases	4,475.02	3,643.26
Freight and travel	6,552.57	3,989.53
Function expenses	14,095.29	13,774.50
Insurance	23,264.13	21,496.97
Little Ship Game Fishing Club expenses	18,579.04	14,845.81
Members and mooring costs	1,014.83	5,299.71
Motor vehicle expenses	3,587.70	6,642.07
Pest control	1,805.65	0.00
Raffle prizes	1,098.02	0.00
Rates and water	20,120.78	22,676.03
Rent - land	132.00	130.00
Repairs and maintenance	21,685.47	20,001.21
Waste removal	12,315.07	9,976.81
	<u>423,792.14</u>	<u>524,610.21</u>
d. Service provision expenses		
Administration assistant - contract	0.00	18,025.96
Long service leave provision	(1,561.69)	5,409.01
Other Payroll	0.00	426.84
Recruitment costs	990.00	0.00
Staff training	220.00	423.08
Subcontractor	0.00	6,656.95
Superannuation	12,351.21	20,827.12
Uniforms	834.62	189.41
Wages - Bar	125,618.71	147,925.90
Wages - Bistro and Kitchen	11,854.08	94,319.09
Wages - Cleaner	4,103.72	19,543.34
Wages - Contractor	1,009.11	0.00
WorkCover	4,271.40	4,708.65
	<u>159,691.16</u>	<u>318,455.35</u>

LITTLE SHIP CLUB QUEENSLAND SQUADRON ABN 31 009 823 590
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 3: Cash on Hand

	2021	2020
	\$	\$
Cash at bank - Bank of Queensland ATM Imprest Account #22848158	10,412.38	6,978.53
Cash at bank - Bank of Queensland Business Performance Account #23194305	86,465.86	0.00
Cash at bank - Bank of Queensland Gaming Account #22848154	23,235.08	17,736.04
Cash at bank - Bank of Queensland Interest Bearing Account #22848161	0.00	23,521.66
Cash at bank - Bank of Queensland LSGFC Cheque Account #10391009	516.29	350.19
Cash at bank - Bank of Queensland LSGFC Fishing Cheque Account #20287931	0.00	924.17
Cash at bank - Bank of Queensland LSGFC WebSavings Account #20394792	22,522.96	20,244.83
Cash at bank - Bank of Queensland Main Account #22848152	37,724.32	20,174.76
Cash at bank - Bank of Queensland Manager's Account #22848159	10.12	1,001.88
Cash on hand - ATM Float	4,580.00	980.00
Cash on hand - Change for Tills	675.00	694.00
Cash on hand - Daily Takings	(524.88)	0.00
Cash on hand - Gaming	12,238.47	0.00
Cash on hand - Member's Draw Float	1,500.00	1,100.00
Cash on hand - Petty Cash	0.00	9.90
Cash on hand - Till Floats	600.00	300.00
	<u>199,955.60</u>	<u>94,015.96</u>

Note 4: Accounts Receivable and Other Debtors

	2021	2020
	\$	\$
GST receivable	0.00	1,264.72
Prepayments	14,586.44	16,064.77
Trade debtors	12,589.36	0.00
	<u>27,175.80</u>	<u>17,329.49</u>

Note 5: Stock on Hand

	2021	2020
	\$	\$
Bar inventory	16,231.40	11,649.69
Kitchen inventory	0.00	2,358.23
	<u>16,231.40</u>	<u>14,007.92</u>

LITTLE SHIP CLUB QUEENSLAND SQUADRON ABN 31 009 823 590
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 6: Property, Plant and Equipment

	2021	2020
	\$	\$
Freehold land at cost	1,050,000.00	1,050,000.00
Buildings at cost	1,384,677.38	1,383,317.38
Less accumulated depreciation	<u>(466,932.68)</u>	<u>(449,611.68)</u>
	<u>917,744.70</u>	<u>933,705.70</u>
Furniture and equipment at cost	251,267.42	248,426.90
Less accumulated depreciation	<u>(248,593.90)</u>	<u>(248,426.90)</u>
	<u>2,673.52</u>	<u>0.00</u>
Gaming machine equipment at cost	389,349.00	389,349.00
Less accumulated depreciation	<u>(389,349.00)</u>	<u>(380,859.96)</u>
	<u>0.00</u>	<u>8,489.04</u>
Motor vehicles at cost	30,112.00	30,112.00
Less accumulated depreciation	<u>(30,112.00)</u>	<u>(30,112.00)</u>
	<u>0.00</u>	<u>0.00</u>
Plant and equipment at cost	427,147.40	387,359.10
Less accumulated depreciation	<u>(333,182.00)</u>	<u>(326,977.00)</u>
	<u>93,965.40</u>	<u>60,382.10</u>
	<u>2,064,383.62</u>	<u>2,052,576.84</u>

LITTLE SHIP CLUB QUEENSLAND SQUADRON ABN 31 009 823 590
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 7: Accounts Payable and Other Payables

	2021	2020
	\$	\$
a. Current		
ATO 2018/2019 payment plan	28,523.96	25,000.00
Gift vouchers unclaimed	0.00	100.00
GST Payable	3,470.00	0.00
Insurance funding	15,735.21	15,916.54
Membership draw accrued	1,500.00	1,100.00
Memberships payable	1,342.30	0.00
PAYG payable	1,177.00	1,167.00
Prepaid membership fees	54,318.26	44,280.00
Superannuation payable	269.91	0.00
Superannuation payable - prior years unpaid super	0.00	11,270.11
Trade Creditors	27,585.38	13,078.00
Unexpended Grant Funding	9,953.00	0.00
Wages payable	(1,806.53)	0.00
	<u>142,068.49</u>	<u>111,911.65</u>
b. Non-current		
ATO 2018/2019 payment plan	<u>0.00</u>	<u>32,341.94</u>
	<u>0.00</u>	<u>32,341.94</u>

Note 8: Employee Provisions

	2021	2020
	\$	\$
Provision for long service leave	<u>3,847.32</u>	<u>5,409.01</u>
	<u>3,847.32</u>	<u>5,409.01</u>

Note 9: Cash Flow Information

	2021	2020
	\$	\$
Reconciliation of cash flows from operations with net current year surplus / (deficit)		
Net current year surplus / (deficit)	133,563.00	(14,163.84)
Non-cash flows in profit:		
- depreciation and amortisation	32,182.04	51,634.58
Changes in assets and liabilities:		
- (increase)/decrease in accounts receivable and other debtors	(9,846.31)	(2,238.49)
- (increase)/decrease in stock on hand	(2,223.48)	27,201.08
- (decrease)/increase in accounts payable and other payables	(2,185.10)	(61,227.90)
- (decrease)/increase in employee provisions	(1,561.69)	5,409.01
	<u>149,928.46</u>	<u>6,614.44</u>

LITTLE SHIP CLUB QUEENSLAND SQUADRON ABN 31 009 823 590
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 10: Entity Details

The registered office of the company is:

5 Wagan Place
WELLINGTON POINT QLD 4160

The principal place of business is:

1 Yabby Street
DUNWICH QLD 4183

Note 11: Members' Guarantee

The Entity is registered with ASIC and is an Entity limited by guarantee. If the Entity is wound up, the constitution states that each member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the entity.

LITTLE SHIP CLUB QUEENSLAND SQUADRON ABN 31 009 823 590
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of LITTLE SHIP CLUB QUEENSLAND SQUADRON, 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 described in Note 1 to the financial statements.

The directors of the Company declare that:

- 1 The financial statements and notes, as set out in the financial report, are in accordance with the *Corporations Act 2001* and:
 - a. comply with the Australian Accounting Standards applicable; and
 - b. give a true and fair view of the company's financial position as at 30 JUNE 2021 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.



Director



Director

Dated this 9th day of September 2021

LITTLE SHIP CLUB QUEENSLAND SQUADRON ABN 31 009 823 590
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LITTLE SHIP CLUB QUEENSLAND SQUADRON

Opinion

We have audited the financial report of Little Ship Club Queensland Squadron (the Entity), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss, 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 summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the entity is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the entity's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards 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 entity 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 entity, 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.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the entity's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.



If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure 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 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 directors either intend to liquidate the entity 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 decision of users taken on the basis of this financial report.

As part of an audit in accordance with the Australia 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimate 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 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 auditors 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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the entity audit. We remain solely responsible for the audit opinion.

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.

A handwritten signature in black ink, consisting of a large, stylized 'G' followed by a horizontal line.

Glen Klein CPA
Registered Company Auditor 385321
Director
Audit Right Pty Ltd

9 September 2021