



# **ANNUAL REPORT**

## **2016-2017**

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## MESSAGE FROM THE AUSTRALIAN SPORTS COMMISSION

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The Australian Sports Commission (ASC) thanks all of our partner national sporting organisations (NSOs) for your continued hard work and commitment to excellence. All of you understand innately the importance of sport in Australian life. It's much more than a source of national identity and pride, it's the fabric that binds us together - a common language for all, with multiplier benefits in health, education, social cohesion and the economy.

There were many great sporting events to celebrate during the course of last year – the launch of both the AFL Women's competition and the National Netball League with prime-time TV coverage, our most successful winter sports season ever on the world stage, and fairytale victories against the odds for Cronulla in the NRL and the Western Bulldogs in the AFL.



Last year's Olympic and Paralympic Games underscored the challenge however for Australia in retaining its status as one of the world's pre-eminent sporting nations, given rising competition from developed and developing nations alike. We must keep innovating, being bold and willing to change both on and off the field if we are to succeed, not just in Olympic and Paralympic sports but across the sporting spectrum.

We appreciate the willingness of NSOs to embrace this challenge. We commend athletes for their dedicated commitment to training ahead of the PyeongChang 2018 Winter Olympic and Paralympic Games, the Gold Coast 2018 Commonwealth Games and, further ahead, the Tokyo 2020 Olympic and Paralympic Games.

One of the most important long-term challenges for our country is to help our children be physically active, to participate in sport and enjoy its lifelong benefits.

The ASC's Sporting Schools program has now reached more than 5,600 primary schools around Australia and has already begun a targeted program for high schools. It is vital to ensure physical education is re-emphasised in the national school curriculum. To this end, the ASC has been doing ground-breaking work on physical literacy for children and youth and we look forward to rolling this out nationally in the year ahead.

As the national leadership organisation for sport in Australia, the ASC was delighted when our new Minister for Sport the Hon. Greg Hunt recently proposed a National Sports Plan, the preparation of which will be led by the ASC. This will create, for the first time, a comprehensive blueprint for Australian sport. It's an outstanding initiative and we thank the Minister for his leadership and vision. We hope all NSOs take the opportunity to contribute their views to the plan.

Most of you will know that this year the ASC welcomed a new CEO Kate Palmer, a talented sports leader, who has quickly built excellent relationships with sports and is embracing the challenges ahead with an inspiring enthusiasm. Finally, I say a big thank you to the army of volunteers – parents, coaches, officials and administrators - who contribute their time and services for the good of Australian sport. You bring community strength, passion and great value to the identity, productivity, cohesion and health of our nation.

The ASC wishes you every success in the year ahead. We look forward to working closely with you for the common good of Australian sport.

**John Wylie AM**

Chair

Australian Sports Commission

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## PRESIDENT'S REPORT

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In the 12 months to October 2016, there were two major undertakings that were achieved, the One Sailing reforms and success at the Olympic Games. As previously reported, both of these were successfully achieved and post the AGM in October last year, the focus for the organisation was integration and implementation of all States into the national administration.

For the past year, we have been operating under one budget and one strategic plan but there remains work to be done to ensure we continue to build the capability and capacity of our sport.

On 29 October 2016, Australian Sailing Limited held their Annual General Meeting, the second as a Company Limited by Guarantee and the first held under the name of One Sailing and with the One Sailing organisational reforms complete.



At the Australian Sailing Board Meeting prior to the AGM, long-standing member and past President David Gotze retired having served his maximum term, along with Doug Kerr. David was President from 2011-2013 and was instrumental in the early vision and strategy for One Sailing and our thanks for the impact he has made to our sport, along with Doug and Rosemary for their contribution. WA's Skip Lissiman and Jo Keen from Queensland were confirmed as appointed directors. In April, Sarah Ogilvie joined the Board as an appointed director until October 2018.

At the AGM, Daniel Belcher was re-elected and Alistair Murray, Chairman of Ronstan International, was elected to the Board unopposed.

The final business for the AGM was to bestow on David Gotze and Andrew Plympton the highest honour, Life Membership of Australian Sailing. Both men have shown great vision and guidance in sailing over many years and Life Membership was a fitting vote of thanks from a grateful sport.

In October 2016, Australian Sailing Vice-President, Sarah Kenny was appointed to the World Sailing Council for a four-year term from 2017-2020, representing Group L (Oceania). The 29-member Council is responsible for managing the sport of sailing including the determination of policy for sailing across the world. Eleven Australians hold World Sailing Committee roles, an important way for us to ensure our interests are covered.

There has been change in the Executive Team with CEO Matt Carroll departing the organisation to head up the Australian Olympic Committee in May, replaced by experienced sports management executive John Lee. Performance Director Peter Conde has taken on the role of Director of the Australian Institute of Sport and we welcome back Iain Murray to the Performance fold. Our thanks to Matt for his leadership in the delivery of the One Sailing reforms and to Peter for his vision and development over the Performance program for over a decade.

We are well into planning for Tokyo 2020 with three years to go and the arrival of Iain, as well as a number of key managers and a staff restructure, and this will strengthen the team as they continue the preparations of our athletes.

Australian Sailing was disappointed with World Sailing's decision to have no venues in the Southern Hemisphere scheduled to host a Sailing World Cup event for the next four years. After nine years, the 2016 Sailing World Cup held in December in Melbourne was the last event hosted. We continue to look for ways to re-engage World Sailing to commit to our region for international class competition.

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## PRESIDENT'S REPORT cont.

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Skip Lissiman has been appointed Chair of Australian Sailing's inaugural Youth Advisory Panel, who will provide advice and support to the Board and Management on matters of policy relating to junior and youth sailor to achieve the strategic initiatives of this very important program.

There have been a number of outstanding youth results across the year and our ranks are deep with talented young sailors. Congratulations to the Australian sailors at the Youth Sailing World Championship in Auckland last December, bringing home two Gold (Natasha Bryant and Annie Wilmot and Finn Alexander) and bronze (John Cooley and Simon Hoffman).

Our thanks to the Australian Sports Commission, in particular Chair John Wylie, and the Australian Institute of Sport who provide an invaluable partnership to allow our programs to develop and flourish across performance, participation, women's leadership and digital.

We are also very pleased to have continue the relationships with our major partners Hamilton Island, Zhik, Steadfast and Nautilus Marine who have committed to Australian Sailing for a number of years. To our many partners and suppliers, your support is valued and we appreciate your backing across many areas of the organisation.

As we head towards Tokyo, we also acknowledge the ongoing backing provided by the Patrons, they are a cornerstone for the Australian Sailing Team both financially and personally and we are grateful for their patronage.

In November, we will hold our first inductions into the Australian Sailing Hall of Fame, a partnership with the Australian National Maritime Museum. This is an exciting and important initiative for our sport and will recognise the greats of sailing, with inductions held annually. With thanks to the working party and selection panel for their guidance, input and deliberations on what has been a challenging selection process. Thanks also to ANMM Director Kevin Sumption and his team for their whole-hearted backing of this project.

At the 2016 Australian Sailing Awards, I honoured Liesl Tesch with the Presidents' Award in recognition of her on-water achievements and the awareness she has raised for sailing across a broad spectrum. For those who have met Liesl, you will agree she is a powerful presence and a great ambassador for our sport. Held at the Sydney Cricket Ground, it was the first time boats were placed on the hallowed turf! It was a wonderful evening celebrating an array of achievements on the water and recognition of many wonderful individuals who contribute to their local Clubs through coaching, instructing, volunteering and officiating. Well done to all our winners and finalists.

Congratulations to Olympic Sailing gold medallist Malcolm Page OAM who was inducted into the Sport Australia Hall of Fame in October 2016, in recognition of his outstanding contribution in the sport of sailing.

I was fortunate to travel to Bermuda for the 35th America's Cup and there were plenty of Australian accents to be heard across sailors, team management and staff, event management and technical delegates. Australia has a reputation for developing some of the finest athletes and officials and we can be proud of their achievements. Congratulations to Glenn Ashby and fellow skippers James Spithill and Nathan Outteridge and all involved. Good luck to Glenn who is a finalist for Rolex World Sailor of the Year which is soon to be announced.

Here at home, our Clubs actively hold regular events and our thanks to Adelaide Sailing Club for hosting the 2017 Australian Youth Championship, Wangi Amateur Sailing Club for the Nacra 15s over the Easter weekend and Cruising Yacht Club of Australia for the 2017 Australian Yachting Championship.

Personally I am excited to have been elected to the Australian Olympic Committee Executive and a number of Committees. This allows me to not only represent Sailing, but also ensure the best results for all Olympic sports, summer and winter.

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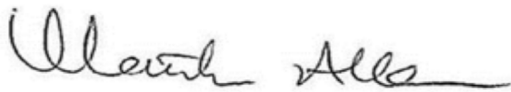
## PRESIDENT'S REPORT cont.

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Finally my thanks to the Board of Australian Sailing and, in particular, Vice-President Sarah Kenny for their dedication and commitment to achieve the best outcomes for the good of sailing. Thanks to the MYA Presidents and Boards for their continued determination to ensure the success of One Sailing.

To our Clubs, their managements and Committees, we are grateful for your ongoing commitment to sailing and ensuring a warm welcome and active roster of activities for members and sailors. Our gratitude to the many volunteers around the country who contribute so many hours and so much knowledge to our sport, thank you.

To all of my fellow sailors, thank you for your ongoing support of your clubs and events.

A handwritten signature in black ink, appearing to read 'Matt Allen', with a stylized, cursive script.

**Matt Allen**  
President  
Australian Sailing

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## CHIEF EXECUTIVE OFFICER'S REPORT

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Since my arrival in May, I have met with many members of the sailing community across the country and have been struck by the passion and dedication of so many individuals to collectively, deliver sailing nationally. Thank you to all who have provided a warm welcome, words of encouragement and a willingness to share their ideas on the future of sailing.

There are challenges ahead but with the spirit that I have seen, put us in good stead to collectively face them and deliver positively for the future. Personally I have had the chance to get back on the water after a lengthy absence, and it has reminded me of some of the beauties of our sport; competition, focus and challenges against the elements, all wrapped around a wonderful friendship both on and off water.



In the financial year to end June 2017, the Company recorded a deficit for the year of \$663,644 due to:

(a) lower revenues from operational areas such as course fees; a disappointing commercial revenue result from sponsors, advertisers (blue book) and patrons donations; and lower club membership fees and athlete contributions (supporting pathway programs) due to differing accounting treatments on handover from some states (cash v accrual).

(b) higher expenses on standardising administration across all states in implementing One Sailing including IT and communications (mostly one off establishment costs); write-down of slow or obsolete stock; legal fees on the Coady matter in Federal Court; increased annual leave provision during a busy year (leave management plans in place in FY 18); and travel costs higher with significant representational costs in relation to World Sailing and OSAF meetings, Rio, and higher activity in Commercial and Sailing Services programs.

The budget for 2017-18 has been approved and it is expected a surplus of \$282,946 will result due to (a) higher revenue from re-invigorated sponsorship and patrons programs; increased funding for participation and a digital strategy program from the ASC; improved operational revenue with a revised methodology for running courses and training services; increased club membership fees due to CPI increases across most states plus a full year recognition of fees across all states; full recognition of athlete contributions for supporting pathway program for all states. (b) reduced operational costs as a result of a functional review including an organisational restructure leading to savings on staff costs, and travel; cancellation of non-essential contracts/services/subscriptions; a strict leave management plan to eliminate all excess leave by 30 June 2018; and savings on one off establishment costs incurred whilst implementing One Sailing in FY 17.

Prior to my arrival, a substantial amount of work had been completed, in consultation with the State Associations, to develop a national administration and governance framework with all staff now employed by Australian Sailing. This shows great foresight by Matt Allen and the Board and positions sailing as a leader in the area of sports governance in Australia.

However, there is still plenty to be done and we now have 12 months of learnings on the realities of our financial situation, resourcing and expectations around program and activity delivery under our belt. It is time to recalibrate what we do and challenge our thinking to deliver results with a focus to return the budget to a surplus through better use of resources, program and delivery integration and increased commercial revenue.



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## CHIEF EXECUTIVE OFFICER'S REPORT cont.

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Following the July 2016 launch of the Strategic Plan – 'Advance Sailing', we need to enhance the planned imperatives and initiatives to ensure all involved in sailing can see the benefits and have input into the delivery. The first step will be a Board strategic review in early 2018, consultation and input from key stakeholders of Sailing and, once agreed, we will re-launch with operational plans supporting the initiatives. It is likely to have a stronger focus on supporting our Clubs to increase participation and encourage more people to enjoy our leisure pursuit and sport.

One of the striking things about my time now in sailing is the invaluable contribution made by Clubs and their many volunteers to ensure our sport remains vibrant, active and engaging. Without the ongoing commitment to ensure safe, well-regulated events and programs, we would now have the sailing community around the country.

This year we undertook our first Club Satisfaction Survey to measure where Australian Sailing is now in relation to our relationships with Clubs, what we can do better, how Clubs are utilising the services available and allow us to plan for the future. Many Clubs see training, competition services and safety as very important, others are looking for subsidies for events and there is a need for support for Clubs of all sizes.

We have established a working party to look at the national fee membership structure with finalisation expected this year. I attended a number of Club Conferences held around the country where this was an important issue raised and we will shortly have details available for review.

The second annual participation census was undertaken which showed more than 276,000 people had taken part in an organised sailing activity in the past 12 months. With thanks to the 142 Clubs, 43 Class Associations and 16 schools with sailing programs that took part. With over 175,000 people regular sailors on the water three or more times a year, this is a 20% increase from the previous year. There is also the opportunity to convert the 100,000+ who tried sailing into active members and competitors, a challenge for us all to consider.

We also have more than 10,000 active volunteers across the country and our thanks to them for their ongoing contribution, without their tireless efforts we would not be able to open our doors and enjoy our sport to the level we do.

Earlier this year, the Sailing Coach course was launched which was developed in conjunction with coaches from the Australian Sailing Team and a number of State and local coaches. This will build capacity and capability of Clubs in providing an accredited training course and is delivered partly on-line and also face-to-face and already has shown an increase of over 50% for the requalification of coaches which we will continue to build on.

The national Instructor Conference was disbanded this year and managed by Regional Offices in each State, with a national template of content developed and delivered in each location. There was an increase in attendance of 238% and we will evolve this for next year.

For Performance, the past 12 months has been a time of review and planning for the Tokyo 2020 Games. With Iain Murray's arrival to head up Performance, it is timely to assess the current plan and ensure we are well placed in the quad to achieve success in August 2020. The Personal Excellence program is an important initiative for our athletes and the Athletes Commission, in particular, is keen to ensure a relevant and beneficial program is established.

We appreciate the support of our partners including the Australian Sports Commission and the Australian Institute of Sport. To our major partners Hamilton Island, Steadfast and Nautilus Marine and Zhik, along with the many partners and supporters, our thanks for your ongoing support.



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## CHIEF EXECUTIVE OFFICER'S REPORT cont.

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I would like to thank Matt Allen, Sarah Kenny and the Board of Australian Sailing for their guidance and support since my arrival in May and I look forward to our continued journey. To each staff member at Australian Sailing, I appreciate your assistance since I've joined and to your ongoing contribution to the success of our sport.

In particular, I am grateful to the management, staff and volunteers at the Clubs I have met in the past months. To understand the heart of sailing, is to stand on a beach watching the dinghies going out on a Saturday morning, those crews heading down the marina on a Wednesday afternoon and to those kids, parents and friends rigging up for a youth event. Everyone has a passion in sailing and together we can achieve great things.

Thank you for your ongoing commitment to sailing in Australia.

**JOHN LEE**

Chief Executive Officer  
Australian Sailing

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# NATIONAL SAILING PARTICIPATION CENSUS 2017

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## NATIONAL OVERVIEW - MAY 2017



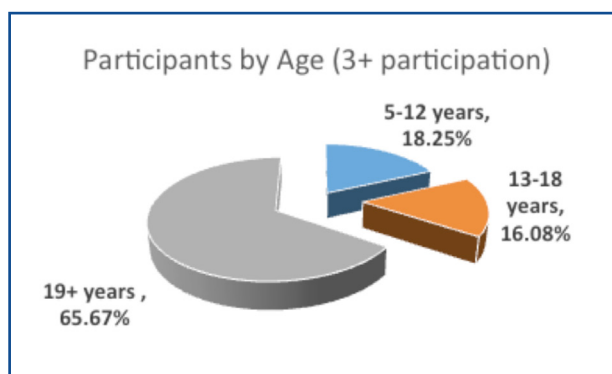
### EXECUTIVE SUMMARY

- Australia has the fifth longest coastline of any country in the world and is known throughout the world for prowess and participation in sailing. It is a sport in which Australia excels at all levels and formats.
- The second National Sailing Census has been undertaken by Australian Sailing, as part of the “One Sailing” structure for the management of the sport across the nation.
- There were 175,871 participants (at least 3 times during the year) in sailing competitions and programs in 2017. This indicates an increase of 20.0% per annum on the 2015 Census results, and reflects a more structured classification of participation involving of 3 or more occasions per annum (some of which were classified in Sailing Experiences, or Promotional Activities, in the 2015 Census).
- There were 11,623 active support personnel, of which 10,269 were volunteers and 1,354 received a level of remuneration.
- There were 100,563 promotional participants in sailing in 2017. These are people having a sailing experience in occasional (less than 3 per year), or once-off, activities such as “discover sailing” days, school introductory programs, corporate days, community organisation (eg scouts, guides, aquatic centres, and respite care) events, and occasional activities conducted by Class Associations.

## NATIONAL SAILING PARTICIPATION CENSUS 2017 cont.

- Of the 175,871 regular sailing participants in 2017:
  - o 70.3% were male and 29.7% were female.
  - o 18.3% were aged 5-12 years
  - o 16.1% were aged 13-18 years
  - o 65.7% were aged 19 years and over

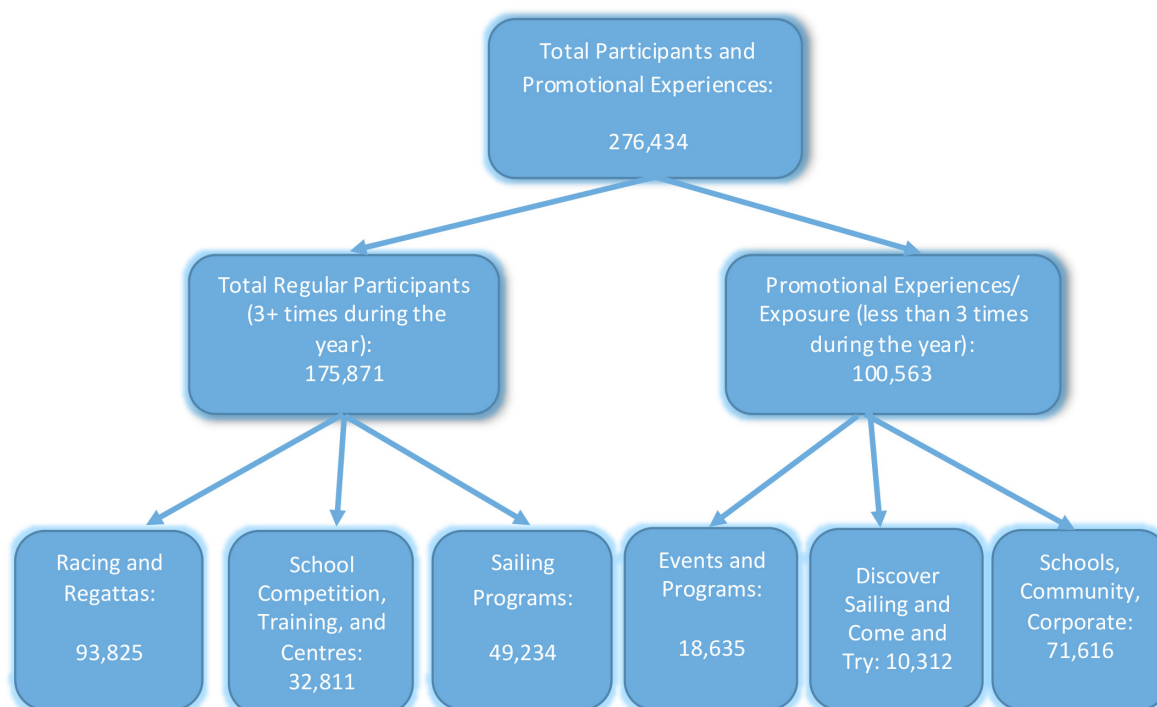
**Figure E1: Age of Sailing Participants**



- Sailing has a national footprint; with regular participants and promotional activities in all States and Territories. New South Wales, Victoria, and Queensland are the States with greatest sailing participation, with 48,304, 38,703, and 35,654 participants (3+ occasions) respectively in 2017<sup>1</sup>.

<sup>1</sup> State figures include national Class Association participants allocated to the State of the Association's main office or contact.

**Figure E2: Participation in Sailing, 2017**



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# NATIONAL SAILING PARTICIPATION CENSUS 2017

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## 1. INTRODUCTION

### 1.1 BACKGROUND

Australia is known throughout the world as a country with a long history of prowess and participation in sailing. It is a sport in which Australia excels at all levels and formats. The national sporting organisation (NSO) for sailing is Yachting Australia, which has affiliate organisations in each State and Territory, and these organisations are currently working towards a collaborative management model for the sport, called “One Sailing”.

Measuring and monitoring participation in sailing, across all segments and formats, is increasingly important for Yachting Australia in reporting performance to the Australian Sports Commission (ASC), in setting targets, and in developing new programs and innovations to ensure the sport remains attractive to communities around the country.

### 1.2 MEASURING SPORTS PARTICIPATION

There are two main mechanisms by which participation in sport and recreation are measured in Australia.

#### » **Population or Household Surveys**

This approach is based on interviews with (usually) a sample of a specific population segment. This enables the measurement of participation in both organised, or formal, sport and recreation activity and non-organised/informal sport and recreation participation. Due to the resources required, these surveys tend to cover a relatively small percentage of the overall population. For several decades the Australian Bureau of Statistics (ABS) has conducted irregular surveys of adult and child participation and during the decade 2001 to 2010, the Australian Sports Commission and State and Territory Departments of Sport and Recreation conducted an annual joint initiative, involving population surveys, known as the Exercise, Recreation and Sport Survey (ERASS). The ABS has continued to include sports participation questions in its annual household surveys (for people aged 15 years and over) and its Children’s Participation in Sport and Recreation series. From 2016, ASC has replaced this source of population surveys with its own AusPlay Surveys.

#### » **Sports Provider Censuses and Surveys**

This approach is based on measuring participation by the NSOs involved in administering each sport and their constituent federations, associations, leagues, clubs, school providers and/or private providers. Over the past 3 decades many sports have introduced a formal census which is used to monitor performance and to identify opportunities then plan and monitor sport development programs.

Australian Sailing has also implemented its own National Census process to contribute meaningful measures and to encompass all sailing related activities. The inaugural National Sailing Census was undertaken in 2015 as part of the “One Sailing” collaborative approach to the management of the sport across the nation. The implementation of One Sailing has now been effected and the new structure, Australian Sailing, is in place to govern the sport and to ensure consistent strategies across the nation.

This report documents the results of the second Sailing Participation Census for 2016-17.

# NATIONAL SAILING PARTICIPATION CENSUS 2017 cont.

## 1.3 SCOPE OF THE 2017 SAILING CENSUS

The 2017 Sailing Census involved collection of participation, and related, data from a range of sources and mechanisms.

- » State Associations provided details on clubs, class associations, schools with sailing programs, and other stakeholder organisations within their respective State/Territory. They also completed Census forms, by region, on membership numbers and participation in accredited programs.
- » All clubs were invited to submit a return on participants, promotional activities, and support personnel. The survey was completed by 142 clubs of the total 331 clubs. All clubs were categorised into 6 size tiers based on their membership numbers:
  - Tier 1: 1,000 members or more
  - Tier 2: 500 to 999 members
  - Tier 3: 250 to 499 members
  - Tier 4: 100 to 249 members
  - Tier 5: 50 to 99 members
  - Tier 6: Fewer than 50 members.

Results from the clubs have been scaled to produce national results, using the ratios of membership numbers for respondent clubs in each of the six membership tiers. The club survey responses by membership tier and by State and Territory are summarised in Tables 1.1 and 1.2.

- » All Class Associations were invited to submit a return on their participant numbers, and 43 completed returns were received. These results have been included in the participant numbers, without any factoring for non-respondent class associations.
- » Known schools with sailing programs were invited to submit a return on the number of students participating in regular and occasional sailing activities, and 16 completed returns were received. In 2017, it has been assumed that the school participant numbers have been adequately incorporated in the returns from sailing clubs. This is a conservative approach, particularly bearing in mind the fact that several of the schools reported sailing activities during school camps, which were unlikely to be always conducted in conjunction with clubs.

Table 1.1 Club Survey Responses by Membership Tier

Tiers	Clubs		Members		Responses: Clubs			Responses: Members		
	No.	%	No.	%	No.	%	Response	Members	%	Response
Tier 1: 1,000 or more	15	4.53%	28,137	38.72%	14	9.86%	93.33%	26,229	60.61%	93.22%
Tier 2: 500-999	17	5.14%	11,557	15.91%	9	6.34%	52.94%	5,253	12.14%	45.45%
Tier 3: 250-499	35	10.57%	12,437	17.12%	20	14.08%	57.14%	5,123	11.84%	41.19%
Tier 4: 100-249	80	24.17%	12,534	17.25%	30	21.13%	37.50%	3,744	8.65%	29.87%
Tier 5: 50-99	65	19.64%	4,971	6.84%	29	20.42%	44.62%	1,915	4.42%	38.52%
Tier 6: 1-49	119	35.95%	3,026	4.16%	40	28.17%	33.61%	1,013	2.34%	33.48%
<b>TOTAL</b>	<b>331</b>	<b>100%</b>	<b>72,662</b>	<b>100%</b>	<b>142</b>	<b>100%</b>	<b>42.90%</b>	<b>43,277</b>	<b>100%</b>	<b>59.56%</b>

# NATIONAL SAILING PARTICIPATION CENSUS 2017 cont.

Table 1.2 Club Survey Responses by State and Territory

	Total Number		Responses by		% of Clubs	% of Members	Returns as % of Clubs	Returns as % of Members
	Clubs	Members	Clubs	Membership				
Australian Capital Territory	3	1,028	3	1,028	100.00%	100.00%	2.11%	2.38%
New South Wales	101	20,291	39	13,347	38.61%	65.78%	27.46%	30.84%
Northern Territory	2	397	1	382	50.00%	96.22%	0.70%	0.88%
Queensland	47	6,561	20	4,680	42.55%	71.33%	14.08%	10.81%
South Australia	33	4,136	13	1,265	39.39%	30.59%	9.15%	2.92%
Tasmania	27	6,037	10	2,988	37.04%	49.49%	7.04%	6.90%
Victoria	83	23,488	27	9,919	32.53%	42.23%	19.01%	22.92%
Western Australia	35	10,724	29	9,668	82.86%	90.15%	20.42%	22.34%
<b>Total</b>	<b>331</b>	<b>72,662</b>	<b>142</b>	<b>43,277</b>	<b>42.90%</b>	<b>59.56%</b>	<b>100.00%</b>	<b>100.00%</b>

Note that any variation of 1 or 2 from the sum of the numbers in a row or column, throughout this report, is a result of rounding of non-whole numbers.

## 2. NATIONAL RESULTS

### 2.1 REGULAR PARTICIPANTS

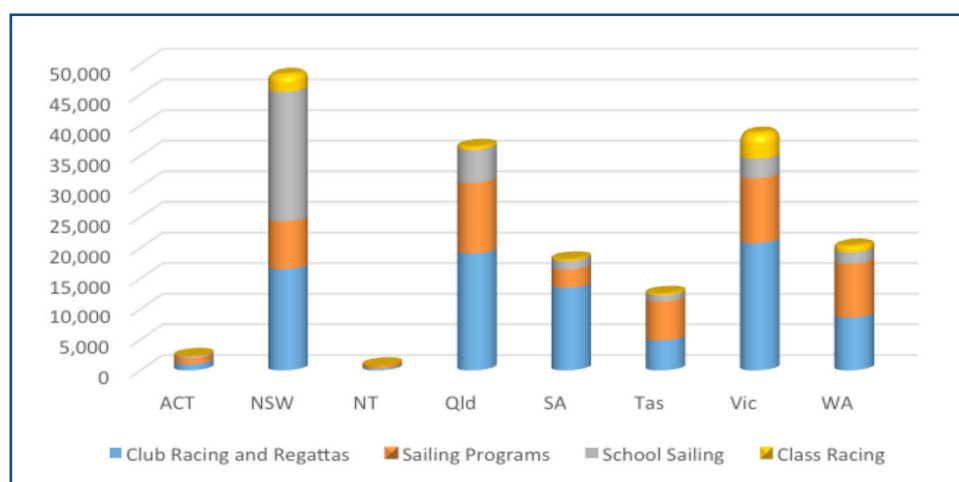
Table 2.1 presents details of participation in sailing by activity segment, by State and Territory:

- Racing and regattas at clubs
- Competition school sailing and training/practice sessions
- Sailing programs.

These tables reveal there were 175,871 participants in 3 or more structured activities during 2017. This represents a 20.0% per annum increase since 2015, and includes the impact of some reclassifications and definitional improvements. The largest 3 States in terms of population (Victoria, New South Wales and Queensland) recorded 70% of national participation, and participation in non-metropolitan regions was 46% of the total.

Figure 2.1 shows the relative distribution of regular sailing participation around the States and Territories and metropolitan and non-metropolitan Australia.

Figure 2.1 Participants in Competition and Social Sailing and Sailing Programs, 2017



# NATIONAL SAILING PARTICIPATION CENSUS 2017 cont.

Table 2.1 Participants in Competitions and Programs, 2017

State/Territory	Club Racing	Regattas and Inter Club Racing	Midweek and Twilight Racing	Skills Development Programs	Learn to Sail Activities	Sailability	Coaching Green Fleet or learn to Race	Pow-erboat Program	School Competitions/ Programs, including Sports/ Aquatic Centres	School Training/ Practices	Class Competitions	Total Participants	% per annum Change 2015 to 17
Australian Capital Territory	520	310	150	165	800	50	20	25	260	0	0	2,300	-11.70%
New South Wales	6,714	6,627	3,181	1,795	2,457	2,786	632	160	19,417	1,704	2,832	48,304	26.72%
Northern Territory	174	70	36	169	226	17	24	11	4	12	0	744	5.13%
Queensland	5,499	7,897	5,624	1,106	5,481	3,483	1,214	82	254	4,430	584	35,654	16.38%
South Australia	4,569	3,293	5,622	377	1,553	644	345	77	582	809	289	18,159	40.51%
Tasmania	1,925	1,984	970	1,104	1,441	3,387	336	147	318	638	305	12,554	23.12%
Victoria	8,352	8,576	3,858	1,764	4,651	2,772	1,124	298	425	2,727	4,157	38,703	10.63%
Western Australia	3,610	3,600	1,390	4,922	2,485	144	597	364	278	953	1,111	19,453	22.28%
Australia	31,361	32,356	20,830	11,401	19,093	13,282	4,292	1,165	21,539	11,273	9,278	175,871	20.00%
Metropolitan	17,804	17,707	12,475	7,854	10,746	5,370	1,982	734	7,169	4,849	7,478	94,167	
Country	13,557	14,649	8,355	3,548	8,348	7,912	2,310	432	14,370	6,424	1,800	81,705	
Australia	31,361	32,356	20,830	11,401	19,093	13,282	4,292	1,165	21,539	11,273	9,278	175,871	

\* Includes practice participation for school competitions.

\*\* Locations were not all known for Class Association competitions, so some participation has been recorded in the location of the State or National headquarters of the Association.

\*\* Class competitions include Kiteboarding participants



# NATIONAL SAILING PARTICIPATION CENSUS 2017 cont.

Males totalled 70.3% of all regular sailing participants in 2017 at clubs, and the age distribution of participants was:

- 18.3% aged 5-12 years
- 16.1% aged 13-18 years
- 65.7% aged 19 years and over.

This age distribution showed a small increase in the percentage aged 19 years and over since 2015, and an increase in 5-12 years old participants, compared with those in the 13-18 years cohort. Table 2.2 shows that the percentage of female participation is higher among younger age groups than male. Participation among younger age groups is highest in the two Territories, while Tasmania has the oldest participant profile.

Table 2.2 Age and Gender by State\*

	Males 5-12	Females 5-12	Males 13-18	Females 13-18	Male 19+	Female 19+	Male	Female
Australian Capital Territory	39.47%	44.97%	22.56%	18.52%	37.97%	36.51%	58.46%	41.54%
New South Wales	12.58%	20.12%	11.43%	26.85%	75.99%	53.03%	72.42%	27.58%
Northern Territory	32.12%	27.44%	9.05%	7.35%	58.83%	65.21%	57.10%	42.90%
Queensland	18.24%	29.49%	11.60%	20.21%	70.16%	50.29%	68.65%	31.35%
South Australia	18.18%	24.86%	19.36%	30.17%	62.46%	44.97%	68.06%	31.94%
Tasmania	11.82%	22.25%	13.71%	28.50%	74.47%	49.25%	74.41%	25.59%
Victoria	16.12%	23.23%	14.13%	20.37%	69.75%	56.40%	68.32%	31.68%
Western Australia	16.56%	19.15%	16.66%	13.85%	66.78%	67.00%	73.46%	26.54%
<b>Australia</b>	<b>15.82%</b>	<b>24.00%</b>	<b>13.60%</b>	<b>21.97%</b>	<b>70.58%</b>	<b>54.03%</b>	<b>70.33%</b>	<b>29.67%</b>
Metropolitan	14.46%	21.20%	14.83%	22.48%	70.71%	56.32%	71.79%	28.21%
Country	17.25%	26.55%	12.31%	21.50%	70.45%	51.94%	68.86%	31.14%
<b>Australia</b>	<b>15.82%</b>	<b>24.00%</b>	<b>13.60%</b>	<b>21.97%</b>	<b>70.58%</b>	<b>54.03%</b>	<b>70.33%</b>	<b>29.67%</b>

\* Club based participation

## 2.2 PROMOTIONAL ACTIVITIES (OR SAILING EXPERIENCES)

The number of promotional experiences in sailing (exposure to sailing) in 2017 was 100,563, encompassing:

- Regattas
- Discover Sailing Days
- School programs and activities
- Corporate events
- Community organisation events (including scouts and guides)
- Aquatic centre and Sport and Recreation Centre programs (in South Australia and New South Wales only)
- Class Association events and once-off activities.

New South Wales, Victoria, and South Australia (due to the active Aquatic Centres program) were the major States for promotional experiences (exposure).

# NATIONAL SAILING PARTICIPATION CENSUS 2017 cont.

Table 2.3 Sailing Promotional Experiences in 2017

	Sailing Events and Programs	Discover Sailing and Come and Try Days	Corporate Days and Events	Scouts, Guides and Aquatic Centres	Community Group Programs	Class Association Promotional Events	Total Promotional Experiences	% p.a. Change 2015 to 17
Australian Capital Territory	4	0	50	0	300	0	354	-31.48%
New South Wales	2,026	1,530	2,485	1,556	4,255	265	12,115	-37.10%
Northern Territory	86	313	2	3	4	0	409	-4.49%
Queensland	2,399	2,043	307	275	1,231	210	6,465	-17.30%
South Australia	735	549	186	30,080	395	43	31,988	1.73%
Tasmania	775	861	682	175	3,424	163	6,080	17.69%
Victoria	1,482	3,118	1,466	591	2,604	9,220	18,480	-23.38%
Western Australia	927	1,898	4,346	4,346	12,855	300	24,672	64.36%
<b>Australia</b>	<b>8,434</b>	<b>10,312</b>	<b>9,523</b>	<b>37,025</b>	<b>25,068</b>	<b>10,201</b>	<b>100,563</b>	<b>-7.36%</b>
Metropolitan	3,247	5,351	8,324	30,379	19,761	9,532	76,594	
Country	5,187	4,961	1,199	6,646	5,307	669	23,969	

## 2.3 ACTIVE SUPPORT PERSONNEL

Sailing clubs, class associations and community groups are able to deliver competitions and programs through the cooperative efforts of large teams of support workers, some receive a level of remuneration and many are volunteers. Until recent decades, Australia's sport and recreation industry was largely the domain of the voluntary sector. However, the ever-increasing commercialisation of many (but not all) tiers of sport, the need for professionalism, and the greater social acceptance of sport and recreation as legitimate business activities, have appeared to change the nature of voluntary input to sport. To date these changes have had greatest impact in the upper echelons of sport.

Many sailing clubs employ administrators, coaching and technical staff, and other professionals in order to keep up with competitive factors and commercial demands. However, there is still a considerable reliance on volunteer contributions to keep operations viable and to offer competitions and events. Tables 2.5 and 2.6 indicates there were 11,623 people involved in voluntary and remunerated support to sailing clubs and class associations in 2017, as committee members, managers and administrators, coaches and instructors, race officers, judges, measurers, umpires and other support roles (such as safety officers, rescue boat drivers, race support, caretakers, event managers, support crews, maintenance workers, canteen and catering support, and auditors)

The majority of support positions are filled by volunteers (10,269 or 88.4%), with 1,354 paid a wage, contract fee or other form of remuneration. The positions most frequently occupied by paid/remunerated workers are:

- Managers and administrators (49.5% receive remuneration)
- Coaches and instructors (43.4% receive remuneration)
- Umpires (11.4% receive remuneration).

Committee and Board members are overwhelmingly volunteers (99.0%)

## NATIONAL SAILING PARTICIPATION CENSUS 2017 cont.

Table 2.5 Volunteer Support Personnel at Sailing Clubs and Class Associations in 2017

State/ Territory	Club/Class Committee Members	Managers and Administrators	Coaches and Instructors	Race Officers	Judges	Measurers	Umpires	Other Support Positions	Total Volunteer Support Personnel
Australian Capital Territory	17	5	0	1	0	0	0	2	25
New South Wales	1,334	74	318	321	31	27	21	503	2,630
Northern Territory	46	1	3	38	0	2	7	1	98
Queensland	555	52	169	145	33	7	11	329	1,300
South Australia	350	27	95	105	11	8	7	170	773
Tasmania	448	27	113	75	20	7	14	124	830
Victoria	1,131	113	294	355	58	29	28	658	2,667
Western Australia	1,377	33	74	105	18	37	36	268	1,947
<b>Australia</b>	<b>5,259</b>	<b>332</b>	<b>1,068</b>	<b>1,145</b>	<b>171</b>	<b>117</b>	<b>124</b>	<b>2,054</b>	<b>10,269</b>
Metropolitan	3,186	122	491	567	103	77	84	1,102	5,732
Country	2,073	210	577	578	68	40	40	952	4,537
<b>Australia</b>	<b>5,259</b>	<b>332</b>	<b>1,068</b>	<b>1,145</b>	<b>171</b>	<b>117</b>	<b>124</b>	<b>2,054</b>	<b>10,269</b>

Table 2.6 Paid/Remunerated Support Personnel at Sailing Clubs and Class Associations in 2017

State/ Territory	Club/Class Committee Members	Managers and Administrators	Coaches and Instructors	Race Officers	Judges	Measurers	Umpires	Other Support Positions	Total Paid Support Personnel
Australian Capital Territory	0	3	38	10	10	2	10	0	73
New South Wales	6	95	156	9	1	0	0	0	267
Northern Territory	0	8	12	0	0	0	0	15	35
Queensland	9	44	111	1	0	0	0	0	165
South Australia	2	14	41	1	0	0	0	31	88
Tasmania	18	30	74	4	1	1	1	2	131
Victoria	6	75	209	4	1	1	1	17	313
Western Australia	10	55	177	10	4	6	4	13	280
<b>Australia</b>	<b>51</b>	<b>325</b>	<b>818</b>	<b>39</b>	<b>18</b>	<b>9</b>	<b>16</b>	<b>78</b>	<b>1,354</b>
Metropolitan	37	225	625	30	16	9	15	48	1,004
Country	14	100	193	8	2	1	1	30	349
<b>Australia</b>	<b>51</b>	<b>325</b>	<b>818</b>	<b>39</b>	<b>18</b>	<b>9</b>	<b>16</b>	<b>78</b>	<b>1,354</b>

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## OUR PARTNERS

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Australian Government  
Australian Sports Commission



HAMILTON ISLAND  
GREAT BARRIER REEF AUSTRALIA



airweave





Postal Address:

Locked Bag 806  
Milsons Point NSW 2061

Street Address:

Level 1, 22 Atchison Street  
St Leonards NSW 2065

[www.sailing.org.au](http://www.sailing.org.au)



**Australian Government**

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**Australian Sports Commission**

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# **Australian Sailing Limited**

**ABN 26 602 997 562**

## **GENERAL PURPOSE (RDR) FINANCIAL REPORT**

**For the year ended  
30 June 2017**

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# AUSTRALIAN SAILING LIMITED

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# AUSTRALIAN SAILING LIMITED

## DIRECTORS' REPORT

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The Directors of Australian Sailing Limited present their Report together with the financial statements of the company for the year ended 30 June 2017 and the Independent Audit Report thereon.

### Director details

The following persons were Directors of the Company during or since the end of the financial year.

#### **Mr. Matt Allen**

##### **B.Bus**

Non-Executive President (since 19 October 2013)

Director of Australian Sailing Limited since 18 October 2014.

Director of Yachting Australia Incorporated from 8 April 2011 to 18 October 2014.

Member of AOC Executive since May 2017; Chair AOC Finance Commission; Member of the Australian Olympic Foundation Investment Advisory Committee; Vice-Chair World Sailing offshore and Oceania Committee.

Member of Selection, Review and Remuneration Committee; former Director and Chairman of CYCA SOLAS Trust; former Commodore of Cruising Yacht Club of Australia; extensive experience in financial services industry including Regional CEO and President of UBS AG Japan and Managing Director of Swiss Bank Corporation in Australia; past World Champion in 11 Metre Class; past President of the Australian Farr 40 Class; past Treasurer of the International Farr 40 Class; President of Australia Day Regatta and Past Rear Commodore of the Royal Ocean Racing Club; former Chairman of the Volvo Ocean Race Australian Challenge in 2005/06; member of the Olympic Team Appeal Committee (NSW) and sat on the arbitration Panel for the 35<sup>th</sup> Americas Cup; competitor in 26 Sydney to Hobart Yacht races (winner in 1983); four time winner of the Kings Cup; Runner up in the 2006 Farr 40 World Championships and regular competitor in international and local regattas.

#### **Ms. Sarah Kenny**

##### **LLB (Hons), Member AICD and ANZSLA**

Non-Executive Vice President (since 19 October 2013).

Director of Australian Sailing Limited since 18 October 2014.

Director of Yachting Australia Incorporated from 17 December 2010 to 18 October 2014.

Member of Selection, Review and Remuneration Committee and Nominations Committee.

Sarah is a Consultant at Herbert Smith Freehills after a 20 year career as a partner in the Corporate group of the Sydney office; from a dinghy sailing background and successfully competed at national and international windsurfing events including multiple World Championships and the Los Angeles Olympics in the Windsurfing demonstration event; Member of World Sailing Council; Member and Chair of World Sailing Events Committee and Vice-Chair of World Sailing Women's Forum; past member of World Sailing Windsurfing & Kite and Youth & Development Committees; member of Australian and New Zealand Sports Law Association; member of the 2008, 2012 and 2016 Australian Sailing Olympic Nomination panels.

#### **Mr. Daniel Belcher**

##### **LLB/B.Com (Accounting), MBA (Columbia), Member AICD**

Independent Non-Executive

Director of Australian Sailing Limited since 18 October 2014.

Extensive experience in the Retail and Private Equity fields through his 6 year Management Consulting with McKinsey & Co in New York and Sydney, CEO of Sands Management, and now Managing Partner of a private equity firm. Co-founder of Melanoma Patients Australia, a non-profit organisation; Member of Australian Sailing Team 2000-2004 (470 Class) winning international, Australia, and state titles (top 10 World Sailing ranking in 2004); Etchells racing since 2004; winner of International 420 World and World Junior Championships in 2000.

#### **Ms. Rosemary Collins**

##### **B.Eng. Sci (Mechanical Major), B.Laws (First Class Honours)**

Independent Non-Executive

Director of Australian Sailing Limited from 18 October 2014 to 28 October 2016.

Director of Yachting Australia Incorporated from 19 October 2013 to 18 October 2014.

Currently Legal counsel at Telstra after extensive experience at a number of legal firms. Past member of various Committees at University of Technology Sydney (UTS).

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# AUSTRALIAN SAILING LIMITED

## DIRECTORS' REPORT

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### Director details (continued)

Past director of Yachting Queensland and the Royal Queensland Yacht Squadron. Regular competitor for 15 years in local, state, national and international events in Laser Radial and Moth class. International Judge and National Umpire, and has officiated at numerous World Championship and World Sailing Grade 1 events.

**Mr. David Gotze**

**B.Eng.**

Independent Non-Executive

Director of Australian Sailing Limited from 18 October 2014 to 28 October 2016.

Director of Yachting Australia Incorporated from 16 October 2008 to 18 October 2014.

President of Yachting Australia from March 2011 to October 2013; Member of the Selection, Review and Remuneration Committee. Member and former Chair of the National Safety Committee; Director of the CYCA SOLAS Trust; Patron of the Australian Sailing Team; former President and Director of Yachting Victoria and Commodore of Royal Brighton Yacht Club. Group Managing Director and founder of Indec Consulting, a national management and technology consultancy firm advising a wide range of corporate and Government clients; former member and Treasurer of National Council of the Australasian Railway Association; keen sailor currently campaigning the Lyons 60 'Triton'.

**Mrs. Joanne Keen**

**LLB (Hons), LLM (Hons), Member (AICD), Member (ACLA)**

Independent Non-Executive

Director of Australian Sailing Limited from 29 October 2016.

Executive General Counsel and Company Secretary with CS Energy since March 2017 with extensive experience in the energy sector including 6 years as General Counsel for Energex, and 8 years with Ergon Energy. Former Board member of the Leukaemia Foundation of Queensland for 8 years. Former member of the Queensland Development Board of The Hunger Project Australia. Former panel member for Australian Sailing in youth misconduct matters and is involved in youth sailing through her daughters. Has sailed Hobie 16s at State, National and International level along with 14' skiffs. Competed in Brisbane to Gladstone yacht race, sailed east coast of Australia with her husband for 6 months, and enjoys kitesurfing and sailing with her family in their trimaran.

**Mr. Doug Kerr**

**Fellow Australian Society of Practicing Accountants**

Independent Non-Executive

Director of Australian Sailing Limited from 18 October 2014 to 28 October 2016.

Director of Yachting Australia Incorporated from 19 October 2013 to 18 October 2014.

Member of the Audit & Risk Committee and former Treasurer of Yachting Australia Inc.

Involved in the motor industry since 1969 and is currently Managing Director of the Shacks Motor Group (Time Magazine Dealer of the Year 1984 and 1994); past President of Yachting Western Australia; former Board member of Fremantle Maritime Museum; executive member of Australian Automobile Dealers Association WA and Motor Vehicle Industry Advisory Committee; past President and current member of Rotary International; Past President and Life member of Fremantle Chamber of Commerce; involved in sailing for 56 years, current Etchells sailor competing in State, National and World Championships (WA State champion 2012.)

**Mr. Garry Langford**

Independent Non-Executive

Director of Australian Sailing Limited since 18 October 2014.

Director of Yachting Australia Incorporated from 19 October 2013 to 18 October 2014.

Member and Chair of Audit and Risk Committee. Consultant in the development, protection and management of new fruit products, internationally. Awarded Churchill Fellowship in 1994; past President of Yachting Tasmania; sailed in 3 Sydney to Hobart Yacht races; established Tasmanian High performance program with the Tasmanian Institute of Sport; Life member of Association of Apex Clubs; past Director and current member of International Fruit Tree Association (USA); Retired, during 2017 from Director positions at Prevar Limited (NZ); Pink Lady Development Limited (AUS);

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# AUSTRALIAN SAILING LIMITED

## DIRECTORS' REPORT

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### Director details (continued)

International Pink Lady Alliance Limited (AUS); and Coregeo UK; Dinghy instructor and past long distance Pacific cruiser.

**Mr. Cole Michael ("Skip") Lissiman O.A.M**  
**GradDipBus (Marketing), DipEng (Surveying)**

Independent Non-Executive

Director of Australian Sailing Limited since 29 October 2016.

Chair of Australian Sailing Youth Advisory Panel. Australian Manager for Aston Harald Sports – owns the World Match Racing Tour and rights to/builder of international M32 class of catamaran. Chair of Poppy Lissiman & Co Pty Ltd, a family global on-line fashion accessories business. Managing Director of Skue Holdings Pty Ltd trading as Skip Lissiman Consulting and Skip Lissiman Marketing.

CEO from 1991 – 2016 of Western Australian Yachting Foundation.

Founding Board member of Western Australia 2011 Pty Ltd from 2006 to 2011 which won the rights to host the ISAF 2011 sailing world championships off Fremantle in December 2011.

Has represented Australia in international sailing competition over 40 times and was part of the crew on Australia II that won the 1983 Americas Cup, breaking the longest winning streak in sporting history (132 years). Senior Manager and Team coach for Swedish Americas Cup team, 'Victory Challenge' in 2002. Project manager for Alan Bond's Americas Cup campaigns from 1978 to 1990. Awarded OAM in 1984. Advance Australia Award for outstanding contribution to yachting in 1983. Australian Sports Medal in 2000.

**Ms Jennifer Maclean**

**Juris Doctor in Law, Master of Sport Management, Grad. Dip Arts in Recreation,**  
**B.App Science (Distinction in Medical Biophysics and Scientific Instrumentation)**

Independent Non-Executive

Director of Australian Sailing Limited since 6 November 2015.

Member of National Safety Committee and Audit & Risk Committee; Commercial Manager, Legal at Frasers Property Australia; past director of Yachting Victoria (YV) and chair of YV Risk Management & Safety Committee; former Commodore of Blairgowrie Yacht Squadron; prior to her career in law, she was a leader in the national and state water safety and aquatic recreation industry working for peak not-for-profit organizations; former director and life member of Life Saving Victoria; former director and life member of Aquatics & Recreation Victoria; active club sailor in her Farr 1020; enjoys cruising in her Beneteau Cyclades 43.3.

**Mr. Alistair Murray AM**

Independent Non-Executive

Director of Australian Sailing Limited since 29 October 2016.

Member of Australian Sailing Strategic Advisory Committee.

41 years with international yacht fittings market leader, Ronstan; following 20 years as CEO, currently Chairman. Awarded an AM in 2017 for services to sailing, as a supporter of young sports people, and to the manufacturing and export industries. Has been involved in numerous activities to promote sailing, including Chairman of the International Sailing Summit and Board memberships of Sail Melbourne, Sail America, Volvo Ocean Race Stopover and Sandringham Yacht Club. Other industry roles have included current Boating Industry Association of Victoria directorship and President of the marine industry export body, AIMEX. Recognised with numerous awards, including Austrade Export Hero, a Federal Government Centenary Award, Australian Manufacturing Hall of Fame, Victorian Governor's Export Award, US Sailing Industry Award for Outstanding Contribution, Australian Sailing Lifetime Achievement Award and BIAV Industry Champion Awards. Has sailed numerous classes of dinghies and keelboats, winning numerous State and National Titles, and a World Masters Championship in Tasars.

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# AUSTRALIAN SAILING LIMITED

## DIRECTORS' REPORT

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### Director details (continued)

**Mrs. Sarah Ogilvie****BDes (Graphics), BEd**

Independent Non-Executive

Director of Australian Sailing Limited since 29 October 2016.

Member of the Athletes Commission as the Australian Board representative. Represented Australia at the Olympics in the Laser Radial class at Athens 2004 and Beijing 2008 (finishing fourth in both), 3 times World Champion, and numerous Australian and State Championship titles. Co-Captain of the Australian Sailing Team in 2008. Female Australian Sailor of the Year in 2007. Australian Telstra Junior Athlete of the year – 1995. Most successful women's single handed dinghy class sailor in Australia. Founder of the Sarah Blanck Regatta in Victoria for women only that is run and officiated by women. Active in coaching across junior, youth, school and clubs and has been instrumental in the development of a new Sailing Coach course for Australian Sailing. Guest speaker to businesses who focus on fitness and health for staff well being. Sailability Coordinator for Yachting Victoria from 2012 to 2015.

**Company Secretary****Greg McFadden****B.Bus (Accounting), GMQ (AGSM), CA**

Chartered Accountant and the Company's Head of Finance & Corporate Services. Greg has held senior positions with a number of businesses in financial services, state government, infrastructure providers, and manufacturing, after initially spending 9 years in audit at Deloitte. Greg was appointed Company Secretary on 18 October 2014.

**Principal activities**

During the year, the principal continuing activities of the Company were to act as the National Sporting Organization (NSO) for the sport of sailing in Australia including:

- From 1 July 2016 all state and territory member yachting associations (MYAs) had signed One Sailing Implementation Agreements. These agreements assign to the Company the responsibility for managing the sport as one in day-to-day operations, delivering the services to the clubs and sailing community across Australia, and initiating programs to grow participation and develop new Olympic champions.
- In collaboration with the state and territory Member Yachting Associations (MYA's) and federal government agencies, set objectives, plans and priorities to deliver a successful and growing future for sailing;
- Develop the Australian Sailing Strategic Plan called Advance Sailing which determines the priority strategies, initiatives, programs and policies;
- Represent sailing to the Federal Government advocating the interests of its member associations and their member clubs on a range of issues including those that affect the sport, safety, communication and the environment;
- Develop world class athletes including the management of the Olympic, Paralympic, Youth and State Sailing Performance Pathway programs;
- Represent Australian sailing as a member of World Sailing to influence international sailing policy and regulations;
- Support club based competitive sailing;
- Assist clubs to increase participation in sailing;
- Provide pathways for sailors and officials with relevant training and development opportunities;
- Offer programs for club officials and members to provide:
  - Internationally and commercially recognised sailing and boating qualifications
  - Training, qualifying and developing:
    - Instructors
    - Club and Performance coaches
    - Race Officials, Judges, Umpires and Measurers
  - Powerboat courses for the public and club members to increase marine safety and improve the skills of Club Safety boat drivers;

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# AUSTRALIAN SAILING LIMITED

## DIRECTORS' REPORT

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- General support for clubs and their members including insurance, IT platforms, and organising National and State Committees to implement major plans, policies and programs.

There has been a significant change in the nature of these activities during the year as a result of One Sailing.

### Short-term objectives

The Company's short-term objectives are to:

1. Establish club cluster network – grouping Clubs to facilitate targeted engagement to develop club capabilities;
2. Develop on-line information repository to provide relevant and current information for Clubs and sailing community;
3. Assist Classes with their governance and management;
4. Engage with Clubs to successfully deliver ASC Sporting Schools program;
5. Continue provision of financing to access equipment;
6. Conduct annual national census and refine to support demographics and provide market segmentation;
7. Review and revitalise existing marketing of programs;
8. Develop club tool kit to assist in promoting events and services;
9. Develop digital communication plan including websites, and social media platforms;
10. Produce national budget with best practise accounting, financial reporting and risk management;
11. Develop appropriate human resource programs and systems for staff and volunteers;
12. Conduct annual club services survey to measure relevance and performance;
13. Significantly improve influence and representation at World Sailing;
14. Develop practises to improve advocacy at all levels of government;
15. Conduct audit of all potential commercial properties to rationalise benefits;
16. Implement sales plan to engage with and secure potential sponsors;
17. Undertake business activity review to establish efficiency and revenue opportunities across all Australian Sailing business lines to maximise value;
18. Establish process for tracking grant opportunities at all levels;
19. Re-invigorate Patrons Program.

### Long-term objectives

The Company's long-term objectives are to:

1. Develop stronger relationships across the network of Clubs and Classes by providing consistent and unified leadership – Build capability and capacity;
2. Improve the development and efficient delivery of relevant services to Clubs, Classes and sailing community – Significantly improve services and service delivery;
3. Build on Australian Sailing's success at the Olympics through stronger management of underpinning programs and talent pathways in co-ordination with and support of Clubs and Class Associations – Maintain Olympic success;
4. Ensure the sport is placed to capitalise on opportunities that can bring in new revenue from external sources – Significantly increase revenue.

### Strategy for achieving short and long-term objectives

To achieve these objectives, the Company has adopted the following strategies:

- Initiated the Strategic Plan , Advance Sailing
- Restructured the organisation to provide the capability and capacity to achieve the initiatives;
- Established the Strategic Advisory Committee that engages the MYA's directly into the strategic planning.

### Operating results for the year

The loss from continuing operations for the year ended 30 June 2017 was \$663,644 (2016: Loss \$422,026).

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# AUSTRALIAN SAILING LIMITED

## DIRECTORS' REPORT

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### Significant Changes in the state of affairs

#### *One Sailing – Advance Sailing*

The One Sailing implementation was fully effective across all Member Yachting Associations (MYAs) from 1<sup>st</sup> July 2016 with all having signed agreements to implement the reforms.

These reforms resulted in the Company accepting responsibility for the administration, direction, promotion and sustainability of sailing, including the new responsibilities transferred to them from the MYA's. The MYA Boards continue to be responsible to their member Clubs and Classes for safeguarding the delivery of services by the Company, providing advice and representation on state and territory priorities and issues and having regular input into the development of the national strategy. This has been reflected in the Strategic Plan for 2017- 2020 titled "Advance Sailing".

All state and territory employees transferred to the Company, creating a single management team reporting to the Chief Executive Officer. The new organisation is responsible for managing the sport as one in day-to-day operations, delivering the services to the clubs and sailing community across Australia and initiating programs to grow participation and develop new Olympic champions.

No assets were purchased from the MYA's. There was no sale of business involved in the One Sailing Implementation Agreements. After transition each MYA retained its existing assets and liabilities (other than those noted in (1) to (3) below).

The assumption of responsibility for each MYA required the transfer of the liabilities for:

- (1) employee provisions for annual leave and long service leave for staff whose employment was transferred from the MYA to the Company;
- (2) member club subscriptions collected by each MYA in advance that were not fully amortised to revenue at the time of transition; and
- (3) any unspent government grants that were to be utilized in delivering services that are now the responsibility of the Company.

Other than that detailed above, there were no significant changes to the state of affairs of the Company during the year.

### Dividends

The Company is a not-for-profit organisation and is prevented by its constitution from paying dividends.

### Directors' meetings

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director, is as follows:

	Board Meetings		Audit & Risk Committee	
	A	B	A	B
Matt Allen	9	9	-	-
Sarah Kenny	9	9	-	-
Daniel Belcher	9	9	-	-
Joanne Keen	5	5	-	-
Garry Langford	9	7	4	4
Cole Michael Lissiman #	5	5	-	-
Jenni Maclean	9	8	3	3
Alistair Murray #	5	3	-	-
Sarah Ogilvie #	2	2	-	-
Rosemary Collins *	4	4	-	-
David Gotze *	4	4	-	-
Doug Kerr *	4	4	1	1

# Became a director on 29 October 2016.

\* Ceased to be a director of Australian Sailing Limited on 28 October 2016.

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# AUSTRALIAN SAILING LIMITED

## DIRECTORS' REPORT

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Where:

- column A is the number of meetings the Director was entitled to attend
- column B is the number of meetings the Director attended

### Significant events after the reporting date

There were no significant events after balance date.

### Corporate information

Australian Sailing Limited is a company limited by guarantee that is incorporated and domiciled in Australia.

The registered office and principal place of business is:

Level 1, 22 Atchison Street, St Leonards NSW 2065

### Likely developments and expected results

There are no likely developments which may affect either the Company's operations or expected results of those operations.

### Environmental regulation

The Company's operations are subject to various environmental regulations under both Commonwealth and State legislation. The Board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company.

### Indemnification and insurance of directors and officers

During or since the financial year, the Company has paid premiums in respect of a contract insuring all the directors of Australian Sailing Limited against legal costs incurred in defending proceedings for conduct involving:

(a) a wilful breach of duty; or

(b) a contravention of sections 182 or 183 of the *Corporations Act 2001*, as permitted by section 199B of the *Corporations Act 2001*.

The amount of the premium cannot be disclosed due to policy conditions.

### Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

### Membership

The Company is limited by guarantee and without a share capital. The number of members as at 30 June 2017 is eight (8) (2016: 8).

### Contribution in winding up

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 a maximum of \$1 each towards meeting any outstanding obligations of the entity. At 30 June 2017, the total amount that members of the Company are liable to contribute if the Company wound up is \$8 (2016: \$8).



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## AUSTRALIAN SAILING LIMITED

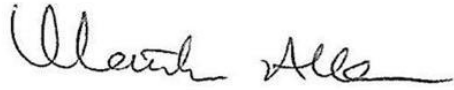
### DIRECTORS' REPORT

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#### **Auditors Independence Declaration**

A copy of the Auditor's Independence Declaration as required under s.307C of the *Corporations Act 2001* is included at page 8 of this financial report and forms part of the Directors' Report.

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read 'Matt Allen', with a stylized flourish at the end.

Matt Allen  
Director  
28 September 2017

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**AUSTRALIAN SAILING LIMITED**

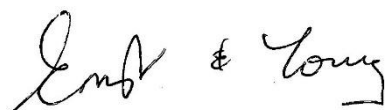
**AUDITOR'S INDEPENDENCE DECLARATION**

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## Auditor's Independence Declaration to the Directors of Australian Sailing Limited

As lead auditor for the audit of Australian Sailing Limited for the financial year ended 30 June 2017, I declare to the best of my knowledge and belief, there have been:

- a.) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b.) no contraventions of any applicable code of professional conduct in relation to the audit.



Ernst & Young



Daniel Cunningham  
Partner  
28 September 2017

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**AUSTRALIAN SAILING LIMITED****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2017**

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	<i>Note</i>	<b>2017</b> \$	<b>2016</b> \$
<b>Continuing operations</b>			
Revenue	3	15,694,106	14,845,587
Finance income		14,544	48,260
		<b>15,708,650</b>	<b>14,893,847</b>
Employee benefits expense	4A	7,759,799	5,338,141
Depreciation expense	4B	311,275	273,830
Employee provisions expense	4C	119,402	46,501
Cost of training, participation materials and technical rule books sold		128,245	238,335
Finance costs		9,767	7,246
Grants and reimbursements to athletes		1,177,899	2,372,290
Hire of coach boats and facilities		212,108	211,688
Insurance		472,405	383,173
Payments to state high performance programs		240,000	200,000
Regattas and camps - entry and charter fees, other participation costs		256,560	737,714
Transport and storage costs of boats and equipment		183,557	462,905
Travel expenses - corporate governance		213,447	238,114
- services to sailing clubs and their members		265,498	113,052
- athlete performance program		1,270,817	1,939,798
Uniforms		381,875	268,344
Sailing equipment components, development and maintenance		390,184	532,499
Other operating expenses	4D	2,979,456	1,952,243
		<b>16,372,294</b>	<b>15,315,873</b>
<b>Loss from continuing operations for the year</b>		<b>(663,644)</b>	<b>(422,026)</b>
<b>Loss for the year</b>		<b>(663,644)</b>	<b>(422,026)</b>
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive deficit for the year</b>		<b>(663,644)</b>	<b>(422,026)</b>

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.

# AUSTRALIAN SAILING LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	<i>Note</i>	<b>2017</b> \$	<b>2016</b> \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	16	3,224,082	1,703,331
Trade and other receivables (Current)	5	839,799	448,370
Inventories	6	74,280	105,835
Prepayments & other assets (Current)	7	781,327	467,237
Other financial assets (Current)	8	108,812	294,970
<b>Total Current Assets</b>		<b>5,028,300</b>	<b>3,019,743</b>
<b>Non-current assets</b>			
Trade and Other receivables (Non-current)	5	22,824	36,680
Prepayments & other assets (Non-current)	7	195,116	-
Other financial assets (Non-current)	8	89,487	137,546
Property, plant & equipment	9	1,580,437	1,631,207
<b>Total Non-current Assets</b>		<b>1,887,864</b>	<b>1,805,433</b>
<b>TOTAL ASSETS</b>		<b>6,916,164</b>	<b>4,825,176</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	10	1,817,048	1,237,998
Government grants	11	2,573,928	752,478
Employee benefits liabilities (Current)	12	704,114	679,024
Interest-bearing borrowings	13	295,254	-
<b>Total Current Liabilities</b>		<b>5,390,344</b>	<b>2,669,500</b>
<b>Non-current Liabilities</b>			
Employee benefits liabilities (Non-current)	12	208,255	174,467
<b>Total Non-current Liabilities</b>		<b>208,255</b>	<b>174,467</b>
<b>TOTAL LIABILITIES</b>		<b>5,598,599</b>	<b>2,843,967</b>
<b>NET ASSETS</b>		<b>1,317,565</b>	<b>1,981,209</b>
<b>EQUITY</b>			
Reserves - Natural disaster relief fund	14	30,000	30,000
Reserves - National Training Centre	14	1,083,987	1,144,226
Reserves – Other Capital Asset funding	14	392,467	248,132
Accumulated funds		(188,889)	558,851
<b>TOTAL EQUITY</b>		<b>1,317,565</b>	<b>1,981,209</b>

The above Statement of Financial Position should be read in conjunction with the notes to the financial statements.

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**AUSTRALIAN SAILING LIMITED****STATEMENT OF CHANGES IN EQUITY  
AS AT 30 JUNE 2017**

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	<b>Accumulated funds</b>	<b>Natural disaster relief fund</b>	<b>National Training Centre funding</b>	<b>Other Asset Funding</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>At 1 July 2015</b>	<b>967,782</b>	<b>30,000</b>	<b>1,193,183</b>	<b>212,270</b>	<b>2,403,235</b>
Profit /(Loss) for the year	(422,026)	-	-	-	(422,026)
Transfer to reserve	13,095	-	(48,957)	35,862	-
<b>At 30 June 2016</b>	<b>558,851</b>	<b>30,000</b>	<b>1,144,226</b>	<b>248,132</b>	<b>1,981,209</b>
Profit/(Loss) for the year	(663,644)	-	-	-	(663,644)
Transfer to reserve	(84,096)	-	(60,239)	144,335	-
<b>At 30 June 2017</b>	<b>(188,889)</b>	<b>30,000</b>	<b>1,083,987</b>	<b>392,467</b>	<b>1,317,565</b>

The above Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

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**AUSTRALIAN SAILING LIMITED****STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2017**

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	<i>Note</i>	<b>2017</b>	<b>2016</b>
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from grants, subscriptions and operations		14,513,595	15,559,261
Payments to trade creditors and suppliers		(5,180,866)	(11,373,781)
Payments to employees		(7,913,298)	(5,234,304)
Interest paid		(9,767)	(7,246)
Interest received		14,544	45,781
<b>Net cash inflows/(outflows) from operating activities</b>		<b>1,424,208</b>	<b>(1,010,289)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		38,980	301
Payments for property, plant and equipment		(283,056)	(163,475)
<b>Net cash outflows from investing activities</b>		<b>(244,076)</b>	<b>(163,174)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Loans to non-related parties		(10,777)	(125,236)
Repayments by non-related parties		56,142	38,479
Loan from non-related party		762,117	-
Repayments of loan from non-related party		(466,863)	(232,307)
<b>Net cash inflows/(outflows) from financing activities</b>		<b>340,619</b>	<b>(319,064)</b>
Net increase/(decrease) in cash held		1,520,751	(1,492,527)
Cash at beginning of year		1,703,331	3,195,858
<b>Cash at End of Year</b>	16	<b>3,224,082</b>	<b>1,703,331</b>

The above Statement of Cash Flows should be read in conjunction with the notes to the financial statements.



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# AUSTRALIAN SAILING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1 – CORPORATE INFORMATION

The financial statements of Australian Sailing Limited (the ‘Company’) for the year ended 30 June 2017 were authorised for issue in accordance with a resolution of the directors on 28 September 2017.

Australian Sailing Limited is a “not-for-profit” entity.

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards – Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis.

#### *Going Concern*

The Company’s financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

During the financial year ended 30 June 2017 the Company has experienced operating losses of \$663,644 (2016: \$422,026) but an increase in cash flows from operating activities of \$2,434,497. The disappointing performance reflected among other things a continued decline in the traditional revenue bases of government grants, sponsorship, and the products and services delivered to the wider sailing community. In addition under the One Sailing implementation the Company accepted the operational commitments of all the Member Yachting Associations (MYAs) with effect from 1 July 2016. This implementation is almost complete with efficiencies still to be fully realised, but with full accrual accounting now applied to the accounting for these regions we now expect a complete recognition of revenue streams generated therein from now on.

At 30 June 2017 the Company also had net current liabilities of \$362,044. Management has implemented a functional review of the Company using an external party with a focus on maintaining core services, managing costs, tightening management practices including comprehensive leave planning for all employees to reduce the build up of excess annual leave balances.

The continued viability of the Company and its ability to continue as a going concern is dependent upon the Company being successful in its continuing efforts to grow its revenue base and the detailed functional review of its operations. The Company is budgeting a healthy surplus in the next financial year ending 30 June 2018 and, along with confirmation from the Australian Sports Commission that the National Sporting Organisation for the sport of Sailing will continue to receive funding of at least 80% of 2015/2016 funding levels through to the Tokyo Olympics in 2020, the board is confident that the Company will be successful in continuing to rebuild its reserves and accordingly has prepared the financial statements on a going concern basis.

The financial report is presented in Australian dollars.

The financial statements provide comparative information in respect of the previous period.

#### 2.2 Statement of compliance

The Company has adopted AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* for the past two financial years.

The Company is a not-for-profit, private sector entity, which is not publicly accountable. Therefore the financial statements for the Company are tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB – RDRs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

The adoption of AASB1053 and AASB 2010-2 allowed Australian Sailing Limited to remove a number of disclosures. There were no other impacts on the current or prior year financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.3 Changes in accounting policy, accounting standards and interpretations**

The accounting policies adopted are consistent with those of the previous financial year.

The new and amended Australian Accounting Standards and AASB Interpretations that apply for the first time in 2016/2017 do not impact the financial statements of the Company.

**2.4 Summary of significant accounting policies**

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below.

The financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

**(a) Current versus non-current classification**

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

**(b) Foreign currency translation**

Both the functional and presentation currency of Australian Sailing Limited is Australian dollars (\$).

*Transactions and balances*

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

**(c) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration

**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.4 Summary of significant accounting policies (continued)****(c) Revenue recognition (continued)**

received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company has concluded that it is acting as a principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks. The specific recognition criteria described below must also be met before revenue is recognised.

*Sale of goods*

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

*Subscriptions*

Revenue is recognised when a member is entitled to the benefits belonging to the Company.

*Grants - conditional*

Where a contractual right to return unspent monies exists, the amount received will be deferred and recognised as income once the funds have been spent.

*Grants - unconditional*

Grants received for specific projects are recognised as revenue upon receipt regardless of whether the expenditure has been incurred as long as there is no contractual right to return the monies received to the grantor.

*Rendering of services*

Revenue is recognised for the provision of services where the contract outcome can be reliably measured, control of the right to be compensated for the services and the stage of completion can be reliably measured. Stage of completion is measured by reference to the labour hours incurred to date as a percentage of total estimated labour hours for each contract.

Where the contract outcome cannot be reliably measured, revenue is recognised only to the extent that costs have been incurred.

*Sponsorship*

Sponsorship revenue is recognised in terms of both cash received and value in kind support provided during the period. The value in kind support is recorded as income using actual values or cost of the goods or services utilised during the year. Items of value in kind support include the cost of team uniforms, equipment, car hire, boat hire, accommodation and hospitality. At the same time an equal offsetting value in kind expense is recognised in the relevant expense category (for example uniforms provided to the Company at no cost are recognised as sponsorship revenue and as an expense in the Uniforms category).

*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.

**(d) Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in full and the grant released to profit or loss. The grant released is also recognised in a reserve to offset future depreciation on the relevant asset/s. The depreciation incurred on the asset is also recognised as a reduction in the reserve. As at 30 June 2017 there are two capital asset reserves recognised, one for the National Training Centre at Middle Harbour Yacht Club, and one for other capital assets.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments.

**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.4 Summary of significant accounting policies (continued)****(e) Taxes***Income Taxes*

The Company is exempt from income tax under division 50 of the *Income Tax Assessment Act 1997*.

*Goods and Services Tax (GST)*

Revenues, expenses and assets are recognised net of the amount of GST except where the GST incurred on purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

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

**(f) Plant and equipment**

Plant and equipment is stated at historical cost, or fair value if the asset is donated to the entity, less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in the profit or loss as incurred. The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted, if appropriate, at each financial year end.

*Depreciation*

The depreciation rates used for each class of assets are:

Computer equipment	3 years
Coach boat motors	3 years
Coach boats	5-15 years
Motor vehicles	10 years
Office furniture and equipment	5-15 years
Leased assets	Term of lease
Leasehold improvements	Term of lease
National Training Centre – Marina Deck	Term of lease

*Disposal*

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

**(g) Leases**

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.4 Summary of significant accounting policies (continued)**

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability in trade and other payables when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

**(h) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**(i) Financial instruments – initial recognition and subsequent measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets***Initial recognition and measurement*

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

*Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Held-to-maturity investments
- Available-for-sale financial investments

*Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by AASB 139.

The Company has not designated any financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the statement of profit or loss.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Re-assessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through

**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.4 Summary of significant accounting policies (continued)****(i) Financial instruments – initial recognition and subsequent measurement (continued)**

profit or loss.

*Loans and receivables*

This category is the most relevant to the Company. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

This category generally applies to trade and other receivables. For more information on receivables, refer to Note 5.

*Held-to-maturity investments*

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Company has the positive intention and ability to hold them to maturity. After initial measurement, held to maturity investments are measured at amortised cost using the EIR, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss as finance costs. The Company did not have any held-to-maturity investments during the years ended 30 June 2017 and 30 June 2016.

*Available-for-sale (AFS) financial investments*

AFS financial investments include equity investments and debt securities. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, AFS financial investments are subsequently measured at fair value with unrealised gains or losses recognised as OCI and credited in the AFS reserve until the investment is de-recognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the statement of profit or loss in finance costs. Interest earned whilst holding AFS financial investments is reported as interest income using the EIR method.

The Company evaluates whether the ability and intention to sell its AFS financial assets in the near term is still appropriate. When, in rare circumstances, the Company is unable to trade these financial assets due to inactive markets, the Company may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

For a financial asset reclassified from the AFS category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

The Company did not have any Available-for-sale financial investments during the years ended 30 June 2017 and 2016.

*De-recognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Company's statement of financial position) when:

**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.4 Summary of significant accounting policies (continued)****(i) Financial instruments – initial recognition and subsequent measurement (continued)**

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company’s continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

**Impairment of financial assets**

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred ‘loss event’) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

*Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Company first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset’s original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income (recorded as finance income in the statement of profit or loss) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statement of profit or loss.

*Available-for-sale (AFS) financial investments*

For AFS financial investments, the Company assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of

**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.4 Summary of significant accounting policies (continued)****(i) Financial instruments – initial recognition and subsequent measurement (continued)**

finance income.

**Financial liabilities***Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, and loans and borrowings.

*Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

*Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired or incurred for the purpose of selling or repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by AASB 139. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 139 is satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

*Loans and borrowings*

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 13.

*De-recognition*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.



**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.4 Summary of significant accounting policies (continued)****(i) Financial instruments – initial recognition and subsequent measurement (continued)****Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**(j) Inventories**

Inventories are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**(k) Impairment of non-financial assets**

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of property, plant and equipment is the higher of fair value less costs to sell and depreciated replacement cost. Depreciated replacement cost is calculated as the current replacement cost of the most appropriate modern equivalent replacement asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

An impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount.

**(l) Cash assets**

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of twelve months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

**(m) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

*Wages, salaries and annual leave.*

Liabilities for wages and salaries, including non-monetary benefits and annual leave, expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when liabilities are settled.

*Long service leave*

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments made in respect of services and provided by employees up to the reporting date.

Provision for employees with less than 10 years' service has been allocated to non-current liabilities.

In determining the liability for employee entitlements related on-costs have also been included in the liability.

**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.4 Summary of significant accounting policies (continued)****(n) Fair value measurement**

The Company measures financial instruments, such as, derivatives, and non-financial assets such as investment properties, at fair value at each balance sheet date. The Company has no such financial instruments as at 30 June 2017 (2016 - \$Nil).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

**(o) Trade and other receivables**

Trade receivables, which generally have 30-day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Company will not be able to collect the receivable. Financial difficulties of the debtor and default payments are considered objective evidence of impairment.

Other receivables are recognised at amortised cost, less any provision for impairment.

**(p) Trade and other payables**

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.4 Summary of significant accounting policies (continued)****(q) Economic dependence**

The Company is dependent upon the ongoing receipt of Federal and State Government grants, corporate sponsorships, and donations to ensure the ongoing continuance of its programs. At the date of this report, management has no reason to believe that this financial support will not continue.

**(r) Significant management judgement in applying accounting policies**

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses:

*Estimation uncertainty*

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

*Impairment*

In assessing impairment, management estimates the recoverable amount of each asset or cash- generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

*Useful lives of depreciable assets*

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

*Inventories*

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

*Long Service Leave*

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

# AUSTRALIAN SAILING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

	2017 \$	2016 \$
<b>NOTE 3 – REVENUE</b>		
<b>Revenue from operating activities</b>		
<b>Membership Scheme</b>		
Australian Capital Territory	18,498	10,848
New South Wales	693,069	437,162
Northern Territory	5,265	8,679
Queensland	299,637	188,353
South Australia	108,385	77,022
Tasmania	139,686	71,522
Victoria	742,802	301,227
Western Australia	411,019	162,723
Others	7,541	11,369
	2,425,902	1,268,905
Club/Centre registration	52,284	56,198
Certification	225,428	325,184
Course fees	579,787	53,067
Sales	352,715	384,615
Regatta and function fees	210,567	-
Service fees	142,747	-
Rental and hire income	128,628	-
Instructor registration	78,085	83,731
Other income	138,118	132,798
	<b>4,334,261</b>	<b>2,304,498</b>
<b>Revenue from outside operating activities</b>		
<b>Income for Specific Projects and Grants</b>		
Australian Olympic Committee ('AOC') grants	25,000	49,610
Australian Paralympic Committee ('APC') grants	664,500	710,000
Australian Sports Commission ('ASC') grants	8,813,786	8,958,751
Australian Institute of Sport ('AIS') grants	134,600	645,103
Athlete contributions	264,513	90,739
State Government grants	1,127,025	55,000
State Institutes of Sport ('SIS') grants	279,147	220,733
Donations	224,091	209,677
Release deferred grant revenue from prior year	220,495	962,531
Defer grant revenue to subsequent year	(1,525,956)	(220,495)
Sponsorships	876,435	752,073
Gain on disposal of property, plant and equipment	16,428	-
Insurance recoveries	45,846	92,731
Others	193,935	14,636
	<b>11,359,845</b>	<b>12,541,089</b>
<b>Total Revenue</b>	<b>15,694,106</b>	<b>14,845,587</b>

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**AUSTRALIAN SAILING LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

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	2017	2016
	\$	\$
<b>NOTE 4 - EXPENDITURE</b>		
<b>(A) Employee Benefits Expense</b>		
Salaries	5,725,351	3,786,859
Superannuation	728,303	445,615
Other employee related costs	376,401	293,718
Consultancy	73,206	66,067
Contractors	856,538	745,882
	<b>7,759,799</b>	<b>5,338,141</b>
<b>(B) Depreciation expense</b>		
Computer equipment	29,923	51,073
Coach boat motors	12,145	15,393
Office furniture and equipment	6,543	6,694
Coach boats and equipment	185,055	131,654
Leasehold improvements	11,217	2,907
Motor vehicles	3,599	3,196
Assets in National Training Centre	62,793	62,913
	<b>311,275</b>	<b>273,830</b>
<b>(C) Employees provisions expense</b>		
Annual leave	59,756	9,347
Long service leave	59,646	37,154
	<b>119,402</b>	<b>46,501</b>
<b>(D) Other operating expenses</b>		
Certification costs	88,271	96,925
Coach payment/expenses	151,490	80,039
Marketing	251,931	152,821
Consultancy	253,699	166,667
Rent and office expenses	919,115	323,918
Service fees	641,974	690,428
Event expenses	266,615	103,636
Legal Fees	87,940	108,089
Freight and postage	26,369	29,652
Other	292,052	200,068
	<b>2,979,456</b>	<b>1,952,243</b>

# AUSTRALIAN SAILING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

	2017 \$	2016 \$
<b>NOTE 5 – TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Accounts Receivable	762,159	393,680
Allowance for doubtful accounts	(9,155)	(9,155)
Short-term deposit – Australian Sailing Team Olympic Base <sup>(i)</sup>	-	31,820
Council bond (Current) <sup>(ii)</sup>	30,680	-
Bond on Freight Carnet	27,000	27,000
Other deposits (Current) <sup>(iii)</sup>	29,115	32,025
<b>Total Trade and Other Receivables (Current)</b>	<b>839,799</b>	<b>448,370</b>
<b>Non-current</b>		
Long-term deposit – Australian Sailing Team Olympic Base <sup>(iv)</sup>	16,424	-
Long-term deposit – Storage facility <sup>(iii)</sup>	-	6,000
Council bond (Non-current) <sup>(ii)</sup>	-	30,680
Other deposits (Non-current) <sup>(iii)</sup>	6,400	-
<b>Total Trade and Other Receivables (Non-current)</b>	<b>22,824</b>	<b>36,680</b>

- (i) Deposit was held as security in relation to the lease of an apartment in Rio de Janeiro, Brazil as the Australian Sailing Team base in the period leading up to, during and after the 2016 Rio Olympics. This was refunded after the Olympics were completed.
- (ii) Mosman Council holds a bond in respect of the completion of construction of a marina deck at the Australian Sailing Team's National Training Centre based at Middle Harbour Yacht Club at the Spit, Mosman NSW.
- (iii) Security deposits on various rental properties noted in Note 18 - Leases are recognised in Current and Non-current categories of Trade and Other receivables.
- (iv) Deposit is held as security in relation to the lease of five houses near Enoshima Sailing Course, Japan, as the Australian Sailing Team base in the period leading up to, during and after the 2020 Tokyo Olympics.

The movement in the allowance for doubtful accounts can be reconciled as follows:

At 1 July	9,155	12,461
Amounts written off (uncollectable)	-	(3,306)
<b>At 30 June</b>	<b>9,155</b>	<b>9,155</b>

## NOTE 6 – INVENTORIES

Training, participation materials and technical rule books	118,249	145,192
Allowance for obsolescence	(43,969)	(39,357)
<b>Total Inventories at the Lower of Cost and Net Realisable Value</b>	<b>74,280</b>	<b>105,835</b>

The movement in the allowance for obsolescence can be reconciled as follows:

At 1 July	(39,357)	-
Amounts allowed for obsolescence	(4,612)	(39,357)
<b>At 30 June</b>	<b>(43,969)</b>	<b>(39,357)</b>

## NOTE 7 – PREPAYMENTS & OTHER ASSETS

<b>Current</b>		
Prepayments (Current)	487,023	328,531
Accrued income	294,304	138,706
<b>Total Prepayments &amp; Other Assets (Current)</b>	<b>781,327</b>	<b>467,237</b>

# AUSTRALIAN SAILING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

	2017 \$	2016 \$
<b>NOTE 7 – PREPAYMENTS &amp; OTHER ASSETS (Continued)</b>		
<b>Non-current</b>		
Prepayments (Non-current) *	195,116	-
<b>Total Prepayments &amp; Other Assets (Non-current)</b>	<b>195,116</b>	<b>-</b>

\*Comprises prepaid rent on the Yachting Western Australia premises paid 7 years in advance in April 2014. Refer note 18 (9)(vi)

## NOTE 8 – OTHER FINANCIAL ASSETS

### Current

Term deposit – Office premises <sup>(i)</sup>	53,000	53,000
Term deposit – Letter of Credit Facility <sup>(ii)</sup>	-	188,851
Loans to Non-Related Parties <sup>(iii)</sup>	55,812	53,119
<b>Total Other Financial Assets (Current)</b>	<b>108,812</b>	<b>294,970</b>

### Non-current

Loans to Non-Related Parties <sup>(iii)</sup>	89,487	137,546
<b>Total Other Financial Assets (Non-current)</b>	<b>89,487</b>	<b>137,546</b>

- (i) A deposit is held as security with the Company's bankers in relation to the lease of premises at 22 Atchison Street, St Leonards NSW. The fixed interest rate is 2.0% maturing in August 2016 at which time it was renewed.
- (ii) A deposit was held as security with the Company's bankers in relation to a Letter of Credit Facility ("Facility") provided by the Company's bankers to the Lessor of an apartment in Rio de Janeiro, Brazil, which was the Australian Sailing Team base in the period leading up to, during and after the 2016 Rio Olympics. The Facility expired 30 October 2016. The deposit had a fixed interest rate of 2.0% maturing 31 October 2016, and as the Facility expired prior to this date the deposit was not renewed.
- (iii) Loans are provided to Non-related Parties to purchase boats that may be used to provide Tackers learn to sail courses. These loans are provided at a 0% nominal interest rate but a penalty interest rate of 10% may be applied in the instance of overdue repayments. There are eleven (11) loans outstanding at 30 June 2017 (2016: 12 loans) with maturity dates between 1 July 2017 and 30 June 2021.

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**AUSTRALIAN SAILING LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 9 - PROPERTY, PLANT & EQUIPMENT**

Details of the Company's property, plant and equipment and their carrying amounts are as follows:

	Computer Equipment	Coach Boat Motors	Office Furniture and Equipment	Coach Boats and Equipment	Leasehold Improvements	Leased Assets	Motor Vehicles	Assets in National Training Centre	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>									
Balance 1 July 2016	186,172	119,788	62,074	972,624	97,354	754	43,185	1,261,942	2,743,893
Additions	29,904	21,536	-	187,309	34,500	-	-	9,807	283,056
Disposals	(2,780)	(20,584)	-	(176,079)	-	-	-	-	(199,443)
<b>Balance 30 June 2017</b>	<b>213,296</b>	<b>120,740</b>	<b>62,074</b>	<b>983,854</b>	<b>131,854</b>	<b>754</b>	<b>43,185</b>	<b>1,271,749</b>	<b>2,827,506</b>
<b>Depreciation</b>									
Balance 1 July 2016	(125,622)	(92,519)	(52,679)	(604,137)	(85,579)	(754)	(3,894)	(147,502)	(1,112,686)
Disposals	1,778	20,584	-	154,530	-	-	-	-	176,892
Depreciation	(29,923)	(12,145)	(6,543)	(185,055)	(11,217)	-	(3,599)	(62,793)	(311,275)
<b>Balance 30 June 2017</b>	<b>(153,767)</b>	<b>(84,080)</b>	<b>(59,222)</b>	<b>(634,662)</b>	<b>(96,796)</b>	<b>(754)</b>	<b>(7,493)</b>	<b>(210,295)</b>	<b>(1,247,069)</b>
<b>Net book value 30 June 2017</b>	<b>59,529</b>	<b>36,660</b>	<b>2,852</b>	<b>349,192</b>	<b>35,058</b>	<b>-</b>	<b>35,692</b>	<b>1,061,454</b>	<b>1,580,437</b>
<b>Net book value 30 June 2016</b>	<b>60,550</b>	<b>27,269</b>	<b>9,395</b>	<b>368,487</b>	<b>11,775</b>	<b>-</b>	<b>39,291</b>	<b>1,114,440</b>	<b>1,631,207</b>

All depreciation charges are included within 'depreciation expense' in the Statement of Profit or Loss and Other Comprehensive Income.



# AUSTRALIAN SAILING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

2017  
\$

2016  
\$

### NOTE 10 – TRADE AND OTHER PAYABLES

Accounts Payable	713,259	553,591
Athlete contributions in advance <sup>(i)</sup>	115,821	-
GST Liability	90,454	7,973
Club Membership Fees in advance <sup>(ii)</sup>	247,830	115,848
Other creditors and accruals	649,684	560,586
<b>Total Trade and Other Payables</b>	<b>1,817,048</b>	<b>1,237,998</b>

- (i) Eligible athletes pay contributions to participate in the State Sailing Team in each sailing year. These programs commonly commence in the 3 to 4 months ending 30 June each year and a large proportion of the contributions carry over into the next financial year.
- (ii) Subscriptions paid by Sailing Clubs to Member Yachting Associations (MYAs) for membership periods ending after 30 June 2017. Not all MYAs have membership years ending 30 June and recognition of these fees as revenue is amortised over the membership year.

### NOTE 11 – GOVERNMENT GRANTS

At 1 July	752,478	1,898,544
Received during the year	10,852,943	9,560,741
Released to the statement of profit or loss	(9,031,493)	(10,706,807)
<b>At 30 June</b>	<b>2,573,928</b>	<b>752,478</b>
Current	2,573,928	752,478
Non-current	-	-
	<b>2,573,928</b>	<b>752,478</b>

### NOTE 12 – EMPLOYEE BENEFITS LIABILITIES

#### Current

Provision for Annual Leave	509,638	514,507
Provision for Long Service Leave	194,476	164,517
<b>Total Employee Benefits Liabilities (Current)</b>	<b>704,114</b>	<b>679,024</b>

#### Non-Current

Provision for Long Service Leave	208,255	174,467
<b>Total Employee Benefits Liabilities (Non-current)</b>	<b>208,255</b>	<b>174,467</b>

### NOTE 13 – INTEREST BEARING BORROWINGS

Loan payable – Current <sup>(i)</sup>	295,254	-
<b>Total Loan Payable (Current)</b>	<b>295,254</b>	<b>-</b>

- (i) Australian Sailing used short-term Premium Funding finance from Westpac Banking Corporation to pay the Personal Accident Insurance policy for a 2-year policy period commencing 1<sup>st</sup> October 2016. The financing was only required for a 12 month period at an effective interest rate of 2.053% per annum. It will be fully repaid in November 2017.

# AUSTRALIAN SAILING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

2017  
\$

2016  
\$

### NOTE 14 - RESERVES

Natural disaster relief fund <sup>(i)</sup>	30,000	30,000
National Training Centre funding <sup>(ii)</sup>	1,083,987	1,144,226
Other Capital Asset funding <sup>(iii)</sup>	392,467	248,132
<b>Total Reserves</b>	<b>1,506,454</b>	<b>1,422,358</b>

- (i) The Natural Disaster Relief Fund was established to enable Australian Sailing to respond on a case-by-case basis to affiliated Clubs and MYA's unable to pay their membership fees as a consequence of being affected by drought or some other natural disaster.
- (ii) A Marina Deck has been constructed at the National Training Centre at Middle Harbour Yacht Club using a grant from the Australian Sports Commission. The Marina Deck has been recognised as a Fixed Asset (refer Note 9 above) during the year ended 30 June 2014 as well as further cost on this project since 1 July 2015, and the grant, whilst released as income each financial year to match any expenditure on the project, has been recognised as a reserve to offset future depreciation of the asset.
- (iii) Other assets including computer equipment, coach boat motors, a motor vehicle, boats and equipment have been acquired in the three financial years ending 30 June 2015, 2016 and 2017 using grant funding from the Australian Sports Commission. These assets have been recognised as a Fixed Asset (refer Note 9 above) during each year ended 30 June, and the grant, whilst recognised as income during the year, has been recognised as a reserve to offset future depreciation of the asset.

### NOTE 15 – FAIR VALUE MEASUREMENT

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

#### Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 30 June 2017:

	Date of valuation	Total \$
<b>Assets for which fair values are disclosed (Note 8)</b>		
Term deposit – office premises	30 June 2017	53,000
Term deposit – Letter of Credit facility	30 June 2017	-
Loans to Non-Related Parties	30 June 2017	145,299
<b>Liabilities for which fair values are disclosed (Note 13)</b>		
Interest-bearing borrowings	30 June 2017	295,254

### NOTE 16 – CASH

#### Reconciliation to Statement of Cash Flows

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise the following at year end:

Cash on hand	2,172	611
Cash at bank	381,288	191,114
Cash management account	2,840,622	1,511,606
<b>Total Cash and cash equivalents</b>	<b>3,224,082</b>	<b>1,703,331</b>

# AUSTRALIAN SAILING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

	2017	2016
	\$	\$

### NOTE 17 - AUDITORS' REMUNERATION

The auditor of Australian Sailing Limited is Ernst & Young.

*Amounts received or due and receivable by Ernst & Young for:*

An auditor review of the financial report of the Company	56,725	45,198
Other services in relation to the Company	-	52,215
<b>Total</b>	<b>56,725</b>	<b>97,413</b>

### NOTE 18 – LEASES – OPERATING LEASES AS LESSEE

#### Operating Lease Commitments

The Company has entered into a commercial lease on:

- (1) Head office premises in the Sydney suburb of St Leonards commencing 25 February 2016. This is a non-cancellable lease with a term of 20 months, at which time the lease reverts to monthly with no renewal option. The premises are subject to a Development Application which will likely see the site redeveloped. The lease includes a clause to enable upward revision of the rental charge at CPI on the first anniversary on 25 February 2017.
- (2) A residential apartment in the Sydney suburb of Seaforth for athletes training at the National Training Centre commencing 15 May 2017. This is a non-cancellable lease with a term of 2 years with no renewal option or clauses to revise the rental charge during the term of the lease.
- (3) A boat storage facility in the Sydney suburb of Brookvale commencing 25 November 2013. This is a non-cancellable lease with an initial term of 3 years, at which time the Company renewed the lease for an additional 3 years. The lease includes a clause to enable upward revision of the rental charge at a rate of 4% per annum or CPI whichever is the greater.
- (4) A residential apartment in the Sydney suburb of Mosman for athletes training at the National Training Centre commencing 1 April 2017. This is a non-cancellable lease with a term of 6 months with no renewal option or clauses to revise the rental charge during the term of the lease.
- (5) An equipment storage facility in Amsterdam, the Netherlands commencing 1 April 2017. This is a non-cancellable lease with an initial term of 16 months, at which time the Company may consider extending the arrangement. Any renewal pricing references the CPI in the Netherlands.
- (6) A storage area in the grounds of the Southport Yacht Club in Queensland commencing 1 January 2017. This is to be used as a Gold Coast training centre and workshop with a term of 4 years. There is no provision for rental increases during the term of the rental. It may be cancelled at any time with either party required to give 3 months notice.
- (7) A storage area in the Sydney suburb of Ingleside commencing 21 November 2016. This is a non-cancellable lease with a term of 12 months with a further 12 month renewal option at current market rate.
- (8) A group of 5 houses in Kamakura, Kanagawa Prefecture, in Japan with various dates commencing from 1 June 2017 to 1 October 2017. These comprise the Sailing Hub for the Australian Sailing Team during the 4 year period leading up to and including the Tokyo 2020 Olympics. The houses are close to the Olympic sailing venue of Enoshima Yacht Harbour, in the coastal city of Fijusawa, Kanagawa Prefecture. These are non-cancellable leases with 4 year terms.
- (9) As a result of the One Sailing implementation agreements that each Member Yachting Association (MYA) signed with the Company prior to 30 June 2016, the Company has accepted the operational responsibility for each MYA and the respective commitments in their home state. To this end, the Company has also accepted the lease commitments of each MYA. In summary these commitments comprise:
  - (i) An office unit in the Darwin suburb of Millner, Northern Territory commencing 1 October 2016. This is a non-cancellable lease with a term of 12 months with no renewal option.

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 18 – LEASES – OPERATING LEASES AS LESSEE (continued)**

- (ii) An office suite in the Adelaide suburb of Hindmarsh, South Australia commencing 1 November 2014. This is a non-cancellable lease with a term of 4 years with two further 4 year renewal options. Rentals are reviewed annually at 3.5% or current market rate on each renewal date.
- (iii) An office suite at Royal Queensland Yacht Squadron, in the Brisbane suburb of Manly, Queensland commencing 24 August 2004. This is a non-cancellable lease with a term of 30 years with renewal option to be negotiated at the time of expiry. Rentals are reviewed annually at CPI (Brisbane).
- (iv) A licence to occupy land in the grounds of Royal Queensland Yacht Squadron, in the Brisbane suburb of Manly, Queensland commencing 1 July 2014. This is a non-cancellable licence with a term of 5 years with a renewal option to be negotiated at expiry of the licence. Rentals are reviewed annually at CPI (Brisbane).
- (v) An office space in the Melbourne suburb of Albert Park in Victoria at the Boatshed on the shores of Albert Park Lake, commencing 1 January 2016. This is a non-cancellable lease with a term of 30 years with renewal options to be negotiated prior to lease expiry. Rent is subject to a CPI increase annually with a review to market every 3 years. This is also known as the State Sailing Centre @ Boatshed Albert Park.
- (vi) An office space in the grounds of the Royal Perth Yacht Club in the Perth suburb of Crawley, Western Australia commencing 21 April 2014. This is a non-cancellable lease with a 7 year term. Yachting Western Australia Inc elected to prepay the full rental on this site at the time of signing the lease. As such there is no lease commitment at reporting date. The lease does have two 4 year options for renewal at market. The prepayment is recognised at Note 7.

Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Within one year	472,535	314,303
After one year but no more than five years	697,384	65,504
More than five years	769,013	-
<b>Total minimum lease payments</b>	<b>1,938,932</b>	<b>379,807</b>

**NOTE 19 – CONTINGENT LIABILITIES**

The Company is representing Yachting Victoria Inc in a matter in the Federal Court in an alleged discrimination matter arising from attempted participation by the litigant in a sailing event officiated under World Sailing competition rules, and various actions occurring during and subsequent to the event. The litigant has sought leave to appeal against a current Federal Court judgement striking out various parts of their claim. It is our lawyers' opinion that there is reasonable prospect that leave to appeal by the litigant will be unsuccessful.

The information usually required by *AASB 137 Provisions, Contingent Liabilities and Contingent Assets* is not disclosed on the grounds that it can be expected to prejudice seriously the outcome of the litigation. The directors are of the opinion that the claim can be successfully defended by the Company.

# AUSTRALIAN SAILING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 20 – RELATED PARTY TRANSACTIONS

The Company's related parties include its Key Management Personnel as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

#### (a) Compensation of key management personnel

The positions of those having authority for planning, directing and controlling Australian Sailing's activities, directly or indirectly are:

Non-Executive Directors	Chief Executive Officer
Performance Director	General Manager Club Services & Operations
General Manager Commercial & Government	Head of Finance & Corporate Services
Head of Marketing & Communications	Head of Sailing Services

	2017 \$	2016 \$
Short-term employee benefits	1,224,192	1,007,740
Post-employment benefits	143,214	123,855
Other long-term benefits	24,458	8,925
<b>Total compensation</b>	<b>1,391,864</b>	<b>1,140,520</b>

Average annual reportable remuneration paid to key management personnel during the reporting period:

Average annual reportable remuneration <sup>(i)</sup>	2017					
	Key Management Personnel	Average Reportable Salary <sup>(ii)</sup>	Average Contributed Superannuation <sup>(iii)</sup>	Average Reportable Allowances	Average Bonus Paid	Total
		\$	\$	\$	\$	\$
\$0 to \$49,999	13 <sup>(iv)</sup>	3,466	266	-	-	3,732
\$100,000 to \$149,999	3	112,108	18,914	-	1,667	132,689
\$150,000 to \$199,999	2	175,784	15,833	-	-	191,617
\$250,000 to \$299,999	2	247,851	25,673	-	7,500	281,024

Average annual reportable remuneration <sup>(i)</sup>	2016					
	Key Management Personnel	Average Reportable Salary <sup>(ii)</sup>	Average Contributed Superannuation <sup>(iii)</sup>	Average Reportable Allowances	Average Bonus Paid	Total
		\$	\$	\$	\$	\$
\$0 to \$49,999	10 <sup>(iv)</sup>	1,294	123	-	-	1,417
\$50,000 to \$99,999	2	65,316	5,895	-	-	71,211
\$100,000 to \$149,999	3	113,163	18,843	-	-	132,006
\$250,000 to \$299,999	2	259,304	27,154	-	7,500	293,958

Notes:

- (i) This table reports key management personnel who received remuneration during the reporting period. Each row has an average figure based on headcount for individuals in the band.
- (ii) Reportable salary includes the following:
  - a. Gross payments (less any bonuses paid)
  - b. Reportable fringe benefits (at the net amount after grossing up to account for tax benefits and deducting any concessional rebates available)
  - c. Long service leave entitlement accrued during the year
- (iii) The contributed superannuation amount is the average actual superannuation contributions paid to key management personnel in that reportable remuneration band during the reporting period including salary-sacrificed amounts.
- (iv) Includes 12 Directors (2016: 9) during the reporting period who did not receive any remuneration.

**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 20 – RELATED PARTY TRANSACTIONS (continued)****(b) Transactions with key management personnel**

No transactions were entered into during the financial year by the Company with any key management personnel-related entity (2016 - \$Nil).

There were no outstanding balances with any entity related to any key management personnel as at 30 June 2017 (2016 - \$Nil).

**NOTE 21 - SIGNIFICANT EVENTS AFTER THE BALANCE DATE**

There were no significant events after balance date.

**NOTE 22 – 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 a maximum \$1 each towards meeting any outstanding obligations of the entity. At 30 June 2017, the total amount that the members of the Company are liable to contribute if the Company wound up is \$8 (2016: \$8).

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## AUSTRALIAN SAILING LIMITED

### DIRECTORS' DECLARATION

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In accordance with a resolution of the directors of Australian Sailing Limited, I state that:

1. In the opinion of the Directors of Australian Sailing Limited:

- (a) The financial statements and notes of Australian Sailing Limited are in accordance with the *Corporations Act 2001*, including:
    - (i) Giving a true and fair view of its financial position as at 30 June 2017 and of its performance for the financial 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*; and
  - (b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2.2
  - (c) There are reasonable grounds to believe that Australian Sailing Limited will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the directors by the Chief Executive Officer and Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2017.

Signed on behalf of the board:



Matt Allen

Director

Dated the 28<sup>th</sup> day of September 2017

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**AUSTRALIAN SAILING LIMITED**

**INDEPENDENT AUDITOR'S REPORT**

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## Independent auditor's report to the members of Australian Sailing Limited

### Report on the financial report

We have audited the accompanying financial report of Australian Sailing Limited, which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Company 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 2017 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards - Reduced Disclosure Requirements 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

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 Company 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.

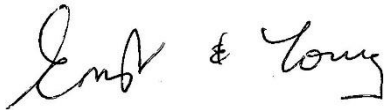
In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company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

## 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.

- 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.



Ernst & Young



Daniel Cunningham  
Partner  
Sydney

28 September 2017