

**SAILORS WITH DISABILITIES INC**  
**A.B.N. 82 714 459 575**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**30 JUNE 2015**

**Liability limited by a scheme approved under  
Professional Standards Legislation**

**SAILORS WITH DISABILITIES INC**  
**A.B.N. 82 714 459 575**

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**SAILORS WITH DISABILITIES INC  
A.B.N. 82 714 459 575**

**COMMITTEE'S REPORT**

Your committee members submit the financial report of the Sailors With Disabilities Inc for the financial year ended 30 June 2015.

**Committee Members**

**The names of committee members throughout the year and at the date of this report are:**

Gary Donovan  
David Pescud  
Sharon Angel  
James Igoe  
Neil Burling  
Andrew King

**Principal Activities**

The principal activities of the association during the financial year were:

providing sailing adventures to disabled individuals.

**Significant Changes**

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

**Operating Result**

The profit after providing for income tax amounted to \$63,536.00.

Signed in accordance with a resolution of the Members of the Committee.

**Committee Member:** \_\_\_\_\_  
David Pescud

**Committee Member:** \_\_\_\_\_  
James Igoe

Dated this            day of

**SAILORS WITH DISABILITIES INC**  
**A.B.N. 82 714 459 575**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30 JUNE 2015**

	Note	2015 \$	2014 \$
<b>INCOME</b>			
Sponsorships Received		85,000	56,375
Donations		531,925	369,460
Grants Received		27,802	50,505
Interest Received		1,826	924
Membership Fees		5,645	4,227
		<u>652,198</u>	<u>481,491</u>
<b>OTHER INCOME</b>			
Sale of Goods		800	354
Sundry Income		5,016	-
		<u>5,816</u>	<u>354</u>
		<u>658,014</u>	<u>481,845</u>

The accompanying notes form part of these financial statements.

**SAILORS WITH DISABILITIES INC**  
**A.B.N. 82 714 459 575**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30 JUNE 2015**

	Note	2015 \$	2014 \$
<b>EXPENDITURE</b>			
Advertising & Promotion		21,946	33,016
Auditors Remuneration - Fees		3,800	4,800
Bank Charges		311	262
Bank Merchant Fees		924	631
Computer Expenses		7,150	12,718
Consultants Fees		173	454
Crew Expenses		3,519	2,105
Program Coordinator		69,703	44,420
Depreciation		149,604	160,490
Donations		1,000	-
Entertainment		4,387	826
Equipment		-	3,931
Flowers		111	-
Fundraising Expenses		1,911	689
Insurance		26,346	18,514
Licences, Registrations, Permits		78	1,757
Loss on Sale of Fixed Assets		850	-
Postage		690	835
Printing & Stationery		1,660	104
Rent		7,851	7,282
Repairs & Maintenance		75	-
Sailing Boat Expenses		164,093	162,386
Sails Maint. & Replacements		66,601	4,478
Staff Training		16,636	195
Subscriptions		1,772	1,335
Superannuation		1,842	-
Telephone		1,854	1,053
Travelling Expenses		23,878	1,850
Volunteer Costs		15,713	-
Weather Forecasts		-	7,909
		594,478	472,040
Profit before income tax		63,536	9,805
<b>Profit for the year</b>		63,536	9,805
Retained earnings at the beginning of the financial year		1,049,120	1,039,314
<b>Retained earnings at the end of the financial year</b>		1,112,656	1,049,119

The accompanying notes form part of these financial statements.

**SAILORS WITH DISABILITIES INC**  
**A.B.N. 82 714 459 575**

**BALANCE SHEET**  
**AS AT 30 JUNE 2015**

	Note	2015 \$	2014 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	419,479	241,909
Trade and other receivables	3	6,468	1,137
<b>TOTAL CURRENT ASSETS</b>		425,947	243,046
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	686,824	816,073
<b>TOTAL NON-CURRENT ASSETS</b>		686,824	816,073
<b>TOTAL ASSETS</b>		1,112,771	1,059,119
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables		115	10,000
<b>TOTAL CURRENT LIABILITIES</b>		115	10,000
<b>TOTAL LIABILITIES</b>		115	10,000
<b>NET ASSETS</b>		1,112,656	1,049,119
<b>MEMBERS' FUNDS</b>			
Retained earnings	5	1,112,656	1,049,119
<b>TOTAL MEMBERS' FUNDS</b>		1,112,656	1,049,119

The accompanying notes form part of these financial statements.

**SAILORS WITH DISABILITIES INC**  
**A.B.N. 82 714 459 575**

**CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 30 JUNE 2015**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Donations Received	534,279	369,459
Payments to suppliers and employees	(461,518)	(333,022)
Other Income	124,263	111,462
Interest received	1,825	924
<b>Net cash provided by operating activities</b>	<b>198,849</b>	<b>148,823</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for property, plant and equipment	(21,205)	-
<b>Net cash provided by (used in) investing activities</b>	<b>(21,205)</b>	<b>-</b>
Net increase in cash held	177,644	148,823
Cash at beginning of financial year	240,098	91,275
Cash at end of financial year	<b>417,742</b>	<b>240,098</b>

The accompanying notes form part of these financial statements.

**SAILORS WITH DISABILITIES INC**  
**A.B.N. 82 714 459 575**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2015**

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**1 Statement of Significant Accounting Policies**

The financial statements cover Sailors With Disabilities Inc as an individual entity. Sailors With Disabilities Inc is an association incorporated in NSW under the Associations Incorporation Act 2009.

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act NSW 2009. The committee has determined that the association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of this financial report.

**Income Tax**

Income tax expenses and provision for taxation have not been included. The entity has been endorsed as a deductible gift recipient and tax exempt charity.

**Property, Plant and Equipment (PPE)**

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.



**SAILORS WITH DISABILITIES INC**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**Depreciation**

The depreciation method and useful life used for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by the association. Depreciation commences from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation method and useful life of assets is reviewed annually to ensure they are still appropriate.

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

Class of Fixed Asset	Depreciation Rate
Plant & Equipment	10% to 30%
Office Equipment	30% to 50%

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at each balance sheet date.

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

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

**Impairment of Assets**

At the end of each reporting period, the association assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

**SAILORS WITH DISABILITIES INC**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2015**

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### **Accounts Receivable and Other Receivables**

Accounts receivable are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of accounts receivable and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in income and expenditure statement.

### **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

### **Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and cessation of all involvement in those goods.

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

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

If conditions are attached to the grant that must be satisfied before the association is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied.

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

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

**SAILORS WITH DISABILITIES INC**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2015**

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**Accounts Payable and Other Payables**

Accounts payable and other payables represent the liabilities at the end of the reporting period for goods and services received by the association that remain unpaid.

Accounts payable are recognised at their transaction price. Accounts payable are obligations on the basis of normal credit terms.

**Goods and Services Tax (GST)**

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

**Industry and Geographical Segments**

The association acts as a facilitator of sailing opportunities to disabled people in Australia.

**Member Remuneration and Benefits**

Sailors with Disabilities Inc. pays expenses in relation to the ongoing maintenance and operation of the boat owned by Mr David Pescud. Mr Pescud's boat is used by Sailors with Disabilities Inc. to provide sailing opportunities to disabled Australians.

During the year \$56,362 was paid in relation to maintenance and operating cost of the boat owned by Mr. David Pescud.

As the boat is owned by Mr David Pescud, it has not been capitalised as an asset of Sailors With Disabilities Inc, in the financial statements.

Apart from the above benefits, no members received any remuneration or benefits from the organisation as a direct result of holding office as a member of the governing body.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2015**

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**Comparative Amounts**

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

**SAILORS WITH DISABILITIES INC**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2015**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>2 Cash and Cash Equivalents</b>		
Cash at Bank	417,742	240,098
Deposits Refundable	1,737	1,811
	<u>419,479</u>	<u>241,909</u>
<b>Reconciliation of cash</b>		
Cash and Cash equivalents reported in the cash flow statement are reconciled to the equivalent items in the balance sheet as follows:		
Cash and cash equivalents	417,742	240,098
	<u>417,742</u>	<u>240,098</u>
<b>3 Trade and Other Receivables</b>		
<b>Current</b>		
GST on Acquisitions	6,468	1,137
	<u>6,468</u>	<u>1,137</u>
<b>4 Property, Plant and Equipment</b>		
Plant & Equipment - at Cost	1,131,582	1,129,025
Less Prov'n for Depreciation	(444,776)	(312,980)
	<u>686,806</u>	<u>816,045</u>
Office Equipment - at Cost	4,163	4,164
Less Prov'n for Depreciation	(4,145)	(4,136)
	<u>18</u>	<u>28</u>
<b>Total Plant and Equipment</b>	<u>686,824</u>	<u>816,073</u>
<b>Total Property, Plant and Equipment</b>	<u>686,824</u>	<u>816,073</u>
<b>5 Retained Earnings</b>		
Retained earnings at the beginning of the financial year	1,049,120	1,039,314
Net profit attributable to the association	63,536	9,805
Retained earnings at the end of the financial year	<u>1,112,656</u>	<u>1,049,119</u>

**SAILORS WITH DISABILITIES INC**  
**A.B.N. 82 714 459 575**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2015**

	2015	2014
	\$	\$

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**6 Financial Risk Management**

**(a) Risk management framework**

Sailors With Disabilities has exposure to the following risks from its use of financial instruments:

Credit Risk  
Liquidity Risk  
Market Risk

This note presents information about Sailors with Disabilities' s exposure to each of the above risk, the association's objectives, policies and processes for measuring and managing risk, and the association's management of capital.

**(b) Credit Risk**

Credit risk is the potential risk of financial loss resulting from the failure of a client to meet their obligations on time and in full, as contracted. It arises principally from receivables from clients and from investment securities.

**Management of credit risk**

Sailors With Disabilities' exposure to credit risk is reduced due to the stability of its funding sources. Grants and other receivables are all from public sector agencies. Receivables are only ever minor amounts. If any credit is to be given, Sailors With Disabilities would make an assessment of the risk and set appropriate contract terms and follow up overdue amounts to limit any losses. Investments are placed only with reputable financial institutions.

**(c ) Liquidity risk**

Liquidity risk is the risk that the association does not have sufficient financial resources to meet its obligations when they come due, or will have to do so at excessive cost.

**Exposure to liquidity risk**

The association maintains a term deposit account to improve interest returns. Separate accounts are maintained for funding day to day operations. The majority of the association's grant income is determined by agreement for twelve month periods, enabling cash flow planning. These strategies ensure that the association is able to meet its short term and long-term liabilities.

**(d) Market risks**

Market risk is the risk that movements in interest rates, foreign exchange rates, equity prices or commodity prices will affect the association's income and capital. Sailors With Disabilities faces no material market risk other than interest rate risk - see below.

**Interest rate risk**

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**2015**  
**\$**

**2014**  
**\$**

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Interest rate risk arises from changes in the shape and direction of interest rates (yield curve risk) as well as mismatches in the re-pricing term of assets and liabilities.

**Management of interest rate risk**

Interest rate risk occurs when the association may lock in to fixed rates that may rise during the period of a term deposit. The committee consider the appropriate term for deposits and the mix of deposits given the state of the market and expectations at any point in time.

**SAILORS WITH DISABILITIES INC  
A.B.N. 82 714 459 575**

**STATEMENT BY MEMBERS OF THE COMMITTEE**

The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

**In the opinion of the committee the financial statements as set out on pages 1 to 13:**

1. Presents a true and fair view of the financial position of Sailors With Disabilities Inc as at 30 June 2015 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Sailors With Disabilities Inc will be able to pay its debts as and when they fall due.

**This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:**

**President:** \_\_\_\_\_  
David Pescud

**Treasurer:** \_\_\_\_\_  
James Igoe

**Dated this            day of**



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF SAILORS WITH DISABILITIES INC  
A.B.N. 82 714 459 575**

**Report on the Financial Report**

We have audited the accompanying financial report, being a special purpose financial report, of Sailors With Disabilities Inc (the association), which comprises the balance sheet as at 30 June 2015, and the income and expenditure statement and cash flow statement, a summary of significant accounting policies, other explanatory information and the statement by members of the committee.

**Committee's Responsibility for the Financial Report**

The committee of Sailors With Disabilities Inc is responsible for the preparation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Associations Incorporation Act NSW 2009 and is appropriate to meet the needs of the members. The committee's responsibility also includes such internal control as the committee determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

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

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF SAILORS WITH DISABILITIES INC  
A.B.N. 82 714 459 575**

**Auditors' Opinion**

In our opinion, the financial report of Sailors With Disabilities Inc presents fairly, in all material respects the financial position of Sailors With Disabilities Inc as of 30 June 2015 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the Associations Incorporation Act ( NSW 2009 ).

**Basis of Accounting and Restriction on Distribution**

Without modifying our opinion, we draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared to assist the association to meet the requirements of the Associations Incorporation Act NSW 2009. As a result, the financial report may not be suitable for another purpose.

**Name of Firm:** P. Liddy & Associates  
Chartered Accountants

**Name of Partner:** \_\_\_\_\_  
Peter Liddy, ICAA: 72116, ARN: 1674844

**Address:** Suite 6, Level 2, Croydon Street, CRONULLA NSW 2230

**Dated this**            **day of**

**SAILORS WITH DISABILITIES INC  
A.B.N. 82 714 459 575**

**CERTIFICATE BY MEMBERS OF THE COMMITTEE**

**I, David Pescud of Strawberry Hills, certify that:**

- (a) I attended the annual general meeting of the association held on .
- (b) The financial statements for the year ended 30 June 2015 were submitted to the members of the association at its annual general meeting.

**Dated this            day of**

**Committee Member:** \_\_\_\_\_  
David Pescud