

**ROYAL MOTOR
YACHT CLUB
OF
NEW SOUTH WALES
LIMITED**

**(A Company Limited by Guarantee)
(ABN: 72 001 040 820)**

**REGISTERED OFFICE
21 WUNULLA ROAD
POINT PIPER NSW 2027
PHONE: (02) 9327 6828**

**116th ANNUAL REPORT
and
ACCOUNTS
as at
30 June 2022**

**ROYAL MOTOR YACHT CLUB
OF
NEW SOUTH WALES LIMITED**

THE HONORARY PATRON – IN – CHIEF

His Excellency General the Honourable David Hurley AC DSC FTSE

PATRON

Her Excellency the Honourable Margaret Beazley AO QC

VICE – PATRON

Rear Admiral Jonathan Mead AM RAN

FLAG OFFICERS

COMMODORE

I.Dale

VICE COMMODORE

M.Scarf

REAR COMMODORE

J.Barbouttis

HONORARY TREASURER

A.Cusack

DIRECTORS

N.Webster M.Finkelstein M.Dinte R.Paridis J.Murray

HOUSE COMMITTEE

M.Scarf
J.Murray
M.Dinte
H.Liossis

**FINANCE ADMINISTRATION
COMMITTEE**

A.Cusack
R.Paridis
M.Finkelstein

MARINE / SAFETY COMMITTEE

J.Barbouttis
N.Webster
M.Finkelstein
F.Mamasioulis
R Paridis

MEMBERSHIP COMMITTEE

I.Dale
M.Finkelstein
M.Scarf
A.Cusack

LIFE MEMBERS

Past Commodore John M. Barbouttis
Past Commodore Michael R. Tess
Neil Webster

Royal Motor Yacht Club of New South Wales Limited

COMMODORES REPORT 2022

Together with the Board I can reflect that our Annual Report and Accounts in our 116th year shows the Club to be a very sound position.

This enables us to ensure we can offer our members, irrespective of their particular interests, the best possible amenities, fare and service.

Whilst there are still some constraints, we have moved on from Covid restrictions and this is evident in our recent return to holding traditional and innovative events. These included:

- The Rugby Lunch
- 2 Wine Dinners

Later this year, for the first time since COVID, we will be celebrating the following events:

- Opening Day of the Boating Season
- Father Neptune Party for kids
- Member Xmas Party

I hope that all members, where possible, take the opportunity to engage in, and enjoy, these events.

From a compliance point of view, a new Constitution, replacing the Articles of Association, which I undertook to complete during my term, was approved at an EGM.

As is always the case, even a very exceptional venue is only as good as the people that provide the service, assistance and care to patrons, in our case, members and their guests. Those people are our excellent dedicated staff and I thank them on behalf of all members.

I thank all Directors for their contribution and commitment to the Club and look forward to sharing our Club with all members.



Ian W Dale
Commodore

VALE: John Ricci, Life Member William(Bill) Roche AM, and Life Member Robert (Bob) Mirrington both of whom will be sadly missed.

Royal Motor Yacht Club of New South Wales Limited
HONORARY TREASURER'S REPORT 2022

I am delighted to present the Club's 116th Annual Report and Financial Statements to 30 June 2022. Once again it has been my honour and a pleasure to act as your Treasurer throughout the most recent financial year and I am proud to deliver to you another spectacular result.

When I commenced as the Club's treasurer the main loan was \$3,899,000. This has now been reduced from the nearly \$4 million debt I inherited as treasurer to \$800,000 as at June 30. The Club also now shows an operating profit of \$1,255,208 (FY21 \$1,233,223).

Under my stewardship and the changes I have implemented we should continue to see stability in the Club's finances and more benefits and enjoyment for our members.

Our newly upgraded gym has been a great success and is enjoying record attendance. The two purchased BRIGS were a good investment and are also being well utilised. We have also undertaken a significant upgrade to the Pacific Room including modernisation of the air conditioning and a dramatic new coffered ceiling with stunning upgraded bathrooms. This will make the Club an even more popular function venue.

The financial restructure has allowed more upgrades to come including a restaurant renovation and in future, a new modern marina.

Full details of the Club's finances are contained within the Annual Report, and I would be happy to address any matters arising, perhaps aboard my boat which I enjoy berthing at the Club.

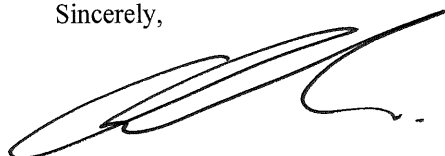
To the staff, you are all amazing, I enjoy working with you and I thank you sincerely for everything you do for our Members and their guests. We would not be the same without you all.

I have worked hard during my tenure to make the club not only a happy place but, given my professional accounting and planning experience a sound and financially sustainable operation.

I would like to thank members for their ongoing support and trust. I will always have the best interests of the club and its members at heart and have exhibited this without fear, favour or any conflict of interest. I am standing for re-election in November and wish to be judged on the above achievements.

I look forward to serving you well into the future.

Sincerely,



Andrew Q Cusack
Hon Tres
RMYC NSW

Royal Motor Yacht Club of New South Wales Limited

Directors' report

For the year ended 30 June 2022

The directors have pleasure in presenting their report of Royal Motor Yacht Club of New South Wales Limited (the "Company" or "Club") for the year ended 30 June 2022.

Directors

The following persons held office as directors of the company at any time during or since the end of the year and up to the date of this report:

John Barbouttis, Andrew Cusack, Ian Dale, Michael Dinte, Michael Finkelstein, John Murray, Robert Paridis,

Matthew J. Scarf and Neil Webster.

Company secretary

The company secretary is Suzanne Helen O'Donnell appointed on 11 November 2014.

Principal activities

The principal activities of the company during the course of the financial year were the operation and maintenance of a motor yacht club and its attendant facilities. There has been no significant change in those activities during the year.

Operating results

The net profit for the year amounted to \$1,255,508 (2021: \$1,233,223). This resulted after charging \$712,450 (2021: \$617,637) for depreciation and \$106,063 (2021: \$132,092) for borrowing and interest costs.

Membership

The Club is a company limited by guarantee and without a share capital. The number of members as at 30 June 2022 and the comparison with last year is as follows:

<u>Members</u>	<u>2022</u>	<u>2021</u>
General	1,614	1,584
Boat owners	83	84
Boat owners/Life	1	1
Life	3	4
Honorary	26	28
Junior	105	87
	<u>1,832</u>	<u>1,788</u>

Review of operations

	2022	2021
	\$	\$
Total operating revenue	<u>6,807,378</u>	<u>6,697,284</u>
Gross trading profit was as follows:		
Entrance Fee New Membership	291,039	356,213
Sundry income	215,392	495,040
Liquor trading	922,733	893,759
Dining Room trading	475,078	503,413
Interest received	59	12
Function area income	193,939	162,332
Marina trading	1,561,903	1,517,538
Regalia trading	656	580
Subscriptions	1,752,738	1,513,127

The net assets of the company have increased by \$1,255,208.

Dividends

The company is a company limited by guarantee and does not have a share capital. No profits are returned to members by way of dividend or otherwise.

Royal Motor Yacht Club of New South Wales Limited
Directors' report (Continued)
For the year ended 30 June 2022

Significant changes in state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report or the accounts.

After balance date events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the company, to affect significantly the operations of the company, the results of those operations, or the state of affairs of the company, in subsequent financial years.

Future developments

It is intended to continue the activities and operations of the company on a similar basis to the past financial year.

Auditor

Ernst and Young are the current auditors and have been since 2009.

Environmental issues

The company's operations are subject to various environmental regulations under the law of the Commonwealth and State.

The directors are not aware of any significant breaches during the period covered by this report.

Meetings of directors

The number of directors' meetings (excluding special and sub-committee meetings) and number of meetings attended by each of the directors of the Company during the financial year are:

	Number eligible to attend	Number attended
Ian Dale	11	11
Matthew Scarf	11	11
John Barbouttis	11	9
Andrew Cusack	11	10
Michael Dinte	11	9
Michael Finkelstein	11	11
John Murray	11	10
Robert Paridis	11	11
Neil Webster	11	9

Indemnification and Insurance of Officers and Auditors

During or since the financial year the company has paid premiums to insure each of the following persons against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity as an officer of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium cannot be disclosed due to policy conditions. John Barbouttis , Andrew Cusack, Ian Dale, Michael Dinte , Michael Finkelstein, John Murray, Robert Paridis , Matthew J. Scarf and Neil Webster. To the extent permitted by Law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount) other than a loss resulting for Ernst & Young's negligent, wrongful or wilful acts or omissions. No payment has been made to indemnify Ernst & Young during or since the financial year.

Royal Motor Yacht Club of New South Wales Limited
Directors' report (Continued)
For the year ended 30 June 2022

Directors' benefits

Since the end of the previous financial year no director of the company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the accounts) by reason of a contract made by the Company or a related corporation with a director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Short and long term objectives

The short and long term objective is to continue the operation of a social and motor yacht club.

Measurement of Success

Royal Motor Yacht Club of New South Wales Limited focuses on three key areas – Retaining current club membership numbers, renovating and upgrading existing club facilities and where possible providing additional amenities or social activities

Introducing new and additional activities for Club members including new in house promotions, and upgrades to the marina decking and kitchen.

Information on directors

Ian Dale

Appointed 28/10/2015
Director 7 years
Company Director

Michael Finkelstein

Appointed 26/09/2013
Director 9 years
Company Director

Michael Dinte

Appointed 27/10/2016
Director 6 years
Company Director

John Murray

Appointed 29/03/2019
Director 3 years
Company Director

Andrew Cusack

Appointed 29/10/2020
Director 2 years
Company Director

Neil Webster

Appointed 29/09/1993
Director 29 years
Company Director

Matthew J. Scarf

Appointed 28/06/2006
Director 16 years
Company Director

Robert D. Paridis

Appointed 08/11/2018
Director 4 years
Company Director

John Barbouttis B. Comm(Hons), LLB

Appointed 29/10/2020 (Director for 25
years previously)
Director 27 years
Solicitor

Royal Motor Yacht Club of New South Wales Limited
Directors' report (Continued)
For the year ended 30 June 2022

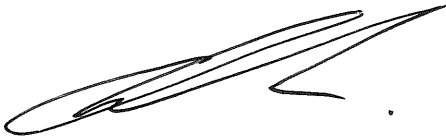
Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2022 has been received and can be found on page 8 of the financial report.

This report is made in accordance with a resolution of the directors.



I. Dale
Commodore



A. Cusack
Honorary Treasurer

Sydney
08 November 2022



**Building a better
working world**

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Auditor's Independence Declaration to the Directors of Royal Motor Yacht Club of New South Wales Limited

As lead auditor for the audit of the financial report Royal Motor Yacht Club of New South Wales Limited for the financial year ended 30 June 2022, 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;
- b. no contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

Ernst & Young

Daniel Cunningham
Partner
Sydney
8 November 2022

Royal Motor Yacht Club of New South Wales Limited
Statement of Comprehensive Income
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Continuing Operations			
Revenue	3	6,612,901	6,225,022
Interest income	3	59	12
JobKeeper subsidy income	3	194,418	472,250
		<u>6,807,378</u>	<u>6,697,284</u>
Costs of sales			
– Marina trading		(462,568)	(346,982)
– Dining room		(346,496)	(416,553)
– Liquor trading		(571,638)	(479,150)
– Regalia		(13,139)	(12,585)
		<u>(1,393,841)</u>	<u>(1,255,270)</u>
Gross Profit		5,413,537	5,442,014
Administrative costs	4	(1,883,255)	(1,986,710)
Operating costs	4	(1,931,868)	(1,796,412)
Other costs		(237,143)	(293,577)
		<u>(4,052,266)</u>	<u>(4,076,699)</u>
Finance costs	4	(106,063)	(132,092)
Net finance costs		(106,063)	(132,092)
Profit before income tax		<u>1,255,208</u>	<u>1,233,223</u>
Income tax expenses	5	-	-
Profit from continuing operations		<u>1,255,208</u>	<u>1,233,223</u>
Profit for the period		<u>1,255,208</u>	<u>1,233,223</u>
Other Comprehensive Income		-	-
Total Comprehensive Income for the period		<u><u>1,255,208</u></u>	<u><u>1,233,223</u></u>

The above statement of comprehensive income is to be read in conjunction with the accompanying notes.

Royal Motor Yacht Club of New South Wales Limited
Statement of Financial Position
as at the 30 June 2022

	Note	2022 \$	2021 \$
Current assets			
Cash and cash equivalents	6	632,453	214,167
Contract assets and other receivables	7	637,231	542,339
Inventories	8	180,330	118,921
Total current assets		<u>1,450,014</u>	<u>875,427</u>
Non-current assets			
Property, plant and equipment	9	16,376,471	16,239,316
Total non-current assets		<u>16,376,471</u>	<u>16,239,316</u>
Total assets		<u>17,826,485</u>	<u>17,114,743</u>
Current liabilities			
Trade and other payables	10	540,754	544,201
Provisions	12	189,659	203,279
Other liabilities	13	852,582	641,190
Financial liabilities	11	814,604	764,604
Total current liabilities		<u>2,397,599</u>	<u>2,153,274</u>
Non-current liabilities			
Provisions	12	59,892	62,300
Other liabilities	13	2,201,050	1,959,519
Financial liabilities	11	257,678	1,284,592
Total non-current liabilities		<u>2,518,620</u>	<u>3,306,411</u>
Total liabilities		<u>4,916,219</u>	<u>5,459,685</u>
Net assets		<u>12,910,266</u>	<u>11,655,058</u>
Equity			
Assets revaluation reserve		2,055,803	2,055,803
Retained earnings	15	10,854,463	9,599,255
Total Equity		<u>12,910,266</u>	<u>11,655,058</u>

The above statement of financial position is to be read in conjunction with the accompanying notes.

Royal Motor Yacht Club of New South Wales Limited
Statement of Changes in Equity
For the year ended 30 June 2022

	Asser Revaluation Reserve	Retained Earnings	Total
	\$	\$	\$
At 1 July 2020	2,055,803	8,366,032	10,421,835
Profit for the year	-	1,233,223	1,233,223
At 30 June 2021	2,055,803	9,599,255	11,655,058
At 1 July 2021	2,055,803	9,599,255	11,655,058
Profit for the year	-	1,255,208	1,255,208
At 30 June 2022	2,055,803	10,854,463	12,910,266

The statement of changes in equity is to be read in conjunction with the accompanying notes.

Royal Motor Yacht Club of New South Wales Limited
Statement of Cash Flows
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Cash receipts in the course of operations		7,904,186	7,344,556
Cash payments in the course of operations		(5,553,377)	(5,135,405)
Interest received	3	59	12
Finance costs	4	(106,063)	(132,092)
Net cash provided by operating activities		<u>2,244,805</u>	<u>2,077,071</u>
Cash flows from investing activities			
Payment for property, plant and equipment		(580,434)	(1,541,300)
Net cash used in investing activities		<u>(580,434)</u>	<u>(1,541,300)</u>
Cash flows from financing activities			
Repayment of borrowings		(1,200,000)	(429,218)
Principal payment of lease liability		(46,085)	-
Net cash used in financing activities		<u>(1,246,085)</u>	<u>(429,218)</u>
Net increase in cash held		<u>418,286</u>	<u>106,553</u>
Cash and cash equivalents at the beginning of the financial year		<u>214,167</u>	<u>107,614</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>632,453</u></u>	<u><u>214,167</u></u>

The statement of cash flow is to be read in conjunction with the accompanying notes.

Royal Motor Yacht Club of New South Wales Limited
Notes to the financial statements
For the year ended 30 June 2022

Note 1. Corporate information

The financial report of Royal Motor Yacht Club of New South Wales Limited (the Company) for the year ended 30 June 2022 was authorised for issue by the Directors on the date of the declaration signed by the directors.

Royal Motor Yacht Club of New South Wales Limited is a company limited by guarantee and without share capital. It is incorporated and domiciled in Australia. The Company is a not-for-profit entity. In accordance with the Constitution the liability of members in the event of the Company being wound up would not exceed \$20 per member.

The nature of the operations and principal activities of the Company are the operation and maintenance of a motor yacht club and its attendant facilities.

Note 2. Summary of Significant Accounting Policies

(a) Basis of preparation

This financial report is general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards – Simplified Disclosures and other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Interpretations. In the prior year the financial report was a general-purpose financial report prepared in accordance with the requirements of Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001. There was no impact on the recognition and measurement of amounts recognised in the statements of financial position, statements of comprehensive income, and cash flows of the Company as a result of the change in the basis of preparation.

The financial report has been prepared on a historical cost basis. The financial report is presented in Australian dollars (\$).

(b) Going Concern and Basis of preparation

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

As at 30 June 2022, the Club's total current liabilities exceeded by total current assets by \$933,100 including \$169,671 of unearned income and \$682,905 of subscriptions paid in advance, being non-cash current liabilities that are not due for payment in the 12 months from balance sheet date.

For the year ended 30 June 2022 the Club generated a surplus of \$1,255,208 and had operating cashflows of \$2,244,805. At 30 June 2022, the Club had unused banking facilities of \$1,850,000. The Directors therefore believe the Club can continue to pay its debts as and when they fall due.

(c) Statement of compliance

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Club for the annual reporting period ended 30 June 2022. The directors have not early adopted any of these new or amended standards or interpretations. The directors have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Club) and interpretations.

The financial report complies with Australian Accounting Standards - Simplified Disclosure Requirements and other authoritative pronouncements as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The Company is a Not-for-profit, private sector entity which is not publicly accountable. Therefore, the financial statements for the Company are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures.

(d) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise of cash at bank and in hand.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above. Commercial bills are included within interest-bearing loans and borrowings in current liabilities on the balance sheet.

(e) Contract assets and other receivables

Trade receivables, which generally have 60-day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for credit loss.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the Company will not be able to collect the debt.

(f) Inventories

Inventories are valued at the lower of cost and net realisable value.

Royal Motor Yacht Club of New South Wales Limited
Notes to the financial statements
For the year ended 30 June 2022

Note 2. Summary of Significant Accounting Policies (Continued)

(g) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Freehold Land - not depreciated

Buildings (Including bar and restaurant) - over 40 years (prime cost)

Plant and equipment - over 2.5 to 20 years (prime cost)

Marinas and pontoons - over 10 to 20 years (diminishing value method)

Swimming Pool- over 40 years (prime cost)

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year-end.

Disposals

An item of property, 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.

(h) Leases

The Club assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Club applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Club recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use Assets

The Club recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Photocopier and printers - 5 years
- Bottlecycler - 10 years

If ownership of the leased asset transfers to the Club at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Note 2. Summary of Significant Accounting Policies (Continued)

(ii) Lease Liabilities

At the commencement date of the lease, the Club recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Club and payments of penalties for terminating the lease, if the lease term reflects the Club exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Club uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Club applies the short-term lease recognition exemption to its short-term leases of plant and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(i) Impairment of non-financial assets

Assets are tested for impairment whenever events of changes in circumstances indicate that the carrying amount may not be recoverable. The Directors conduct an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in economic conditions, are also monitored to assess indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

(j) Trade and other payables

Trade payables and other payables are carried at amortised cost. They 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. The amounts are unsecured and are usually paid within 30 days of recognition.

(k) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(l) Borrowing costs

Borrowing costs are recognised as an expense when incurred.

(m) Employee leave benefits

(i) 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 respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Note 2. Summary of Significant Accounting Policies (Continued)

(n) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

(ii) Rendering of services

Revenue from rendering of services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Company.

(iii) Interest income

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.

(iv) Entrance fees

Entrance fees are recognised when the performance obligations are provided in accordance with AASB 15 Revenue from contracts with Customers. Management have calculated the average term of a member (14 years from commencement) and recognised the Entrance Fee revenue evenly over that period, as performance obligations do not differ between financial years.

(v) Other revenue

Other revenue is recognised when the right to receive the revenue has been established.

vi) JobKeeper subsidy income

JobKeeper subsidy income is a government grants which relates to wages and salaries, 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.

The directors of the company have assessed that the revenue from the marina sales, mooring fee and the sale of the food will be recognised at the point in time when control over the corresponding goods and services are transferred to the customer. Revenue from events will be recognised over time as the performance obligation is performed over the term of the event. The company's accounting policy for its revenue stream is disclosed in detailed in Note 2(n) above.

(o) Income tax

The Income Tax Assessment Act 1997 (Amended) provides that under the concept of mutuality, companies are only liable for income tax on income derived from non-members and from outside entities. The assessable income of the Company for income tax purposes comprises only certain income deemed to be derived from non-member activities. Conversely, allowable deductions for income tax purposes are limited to certain expenses and statutory deductions.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(p) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a 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, which 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 balance sheet. Cash flows are included in the Cash Flow Statement 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 is classified as part of operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Note 2. Summary of Significant Accounting Policies (Continued)

(q) Application of new and revised Accounting Standards

The Company has adopted the following standard in the current year:

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for Profit Tier 2 entities

(r) Comparatives

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.

(s) Significant Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods. Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

(i) Significant accounting judgments

Impairment of non-financial assets

The Company assesses impairment of all assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. These include technology, economic and political environments. If an impairment trigger exists the recoverable amount of the asset is determined. If an impairment trigger exists the recoverable amount of the asset is determined.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment), lease terms (for leased equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Royal Motor Yacht Club of New South Wales Limited
Notes to the financial statements (Continued)
For the year ended 30 June 2022

Note 3. Revenue	2022	2021
	\$	\$
Sale of goods		
– Catering sales	821,574	919,967
– Liquor sales Members Dining Room	745,574	747,999
– Liquor sales Club function centre	726,955	599,247
– Sales of fuel and oil	518,101	411,916
– Regalia sales	13,796	13,165
	<u>2,826,000</u>	<u>2,692,294</u>
Rendering of services		
– Mooring fees and Pen fees	1,479,904	1,446,322
– Subscriptions	1,752,737	1,513,126
– Licence fees	193,939	162,332
– Entrance fee new membership	291,039	356,213
– Other revenue	69,282	54,735
	<u>3,786,901</u>	<u>3,532,728</u>
Total revenue	<u>6,612,901</u>	<u>6,225,022</u>
Other income		
– Interest revenue	59	12
– Job Keeper subsidy income	194,418	472,250
Total revenue and other income	<u>6,807,378</u>	<u>6,697,284</u>

Note 4. Expenses

Administrative costs		
– Salaries and wages	1,586,635	1,630,314
– Superannuation	136,053	147,129
– Audit	49,077	43,452
– Accountancy	33,000	29,750
– Payroll tax	27,876	30,526
– Employer benefits provisions	(16,029)	13,738
– Insurance Workers Compensation	51,118	71,653
– Legal	12,257	8,470
– Postage	2,379	11,264
– Filing fees	889	414
	<u>1,883,255</u>	<u>1,986,710</u>
Finance costs		
– Bank fees and charges	66,093	66,364
– Interest	39,970	65,728
	<u>106,063</u>	<u>132,092</u>

Royal Motor Yacht Club of New South Wales Limited
Notes to the financial statements (Continued)
For the year ended 30 June 2022

	2022	2021
	\$	\$
Note 4. Expenses (Continued)		
Operating costs		
- Depreciation	712,450	617,637
- Repairs and Maintenance	392,272	397,429
- Maritime rental	165,726	222,218
- Electricity and gas	127,704	118,217
- Cleaning and Rubbish removal	127,788	119,748
- Insurance	203,559	171,548
- Rates and Land tax	92,355	86,693
- Members functions	20,933	3,061
- Computer expenses	47,266	33,926
- Stock taking	12,700	13,970
- Telephone	4,519	5,174
- Rental - Equipment	4,432	-
- Decorations	3,632	3,415
- Uniforms	12,130	2,320
- Entertainment	4,402	1,056
	<u>1,931,868</u>	<u>1,796,412</u>
Other cost	<u>237,143</u>	<u>293,577</u>

Note 5. Income tax

Reconciliation tax expense and accounting profit multiplied by Australia's domestic income tax rate

Accounting profit before tax	1,255,208	1,233,223
At the Club's statutory tax rate of 25% (2021: 26%)	313,802	320,638
Proportion of income attributable to non-members	602,777	592,815
Proportion of expenses attributed to non-members	(1,105,201)	(1,007,779)
Other income	<u>231,067</u>	<u>293,713</u>
Tax (loss)/profit for the year (before tax loss applied)	<u>(271,357)</u>	<u>(121,251)</u>
Income tax losses brought to account	<u>(271,357)</u>	<u>(121,251)</u>

(a) Tax losses and unrecognised temporary differences

The company has tax losses of \$5,536,367 (2021: \$5,265,010) for which no deferred tax asset is recognised on the balance sheet given that it is not probable that taxable profit will be available against which the tax loss can be utilised.

Note 6. Cash and cash equivalents

Cash and cash equivalents	<u>632,453</u>	<u>214,167</u>
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Note 7. Contract assets and other receivables

Contract assets	501,920	427,243
Other receivables and prepayments	<u>135,311</u>	<u>115,096</u>
	<u>637,231</u>	<u>542,339</u>

Note 8. Inventories

Liquor, food and fuel - at cost	170,371	103,596
Regalia - at cost	<u>9,959</u>	<u>15,325</u>
	<u>180,330</u>	<u>118,921</u>

Royal Motor Yacht Club of New South Wales Limited
Notes to the financial statements (Continued)
For the year ended 30 June 2022

	2022	2021
	\$	\$
Note 9. Property, plant and equipment		
Freehold land		
At cost	<u>1,200,000</u>	<u>1,200,000</u>
Land adjoining Lot 2		
At cost	<u>2,160,980</u>	<u>2,160,980</u>
Clubhouse, car park, inclinator, recreation and marina area		
At cost	9,300,451	9,280,653
Less accumulated depreciation	<u>(2,843,142)</u>	<u>(2,596,095)</u>
	<u>6,457,309</u>	<u>6,684,558</u>
Marina tender		
At cost	381,295	298,204
Less accumulated depreciation	<u>(221,825)</u>	<u>(197,748)</u>
	<u>159,470</u>	<u>100,456</u>
Marina berths		
At cost	2,639,108	2,639,108
Less accumulated depreciation	<u>(1,753,292)</u>	<u>(1,706,482)</u>
	<u>885,816</u>	<u>932,626</u>
Plant, furniture and equipment		
At cost	2,991,217	2,972,852
Less accumulated depreciation	<u>(2,325,313)</u>	<u>(2,223,286)</u>
	<u>665,904</u>	<u>749,566</u>
Swimming pool, infrastructure and landscaping		
At cost	689,527	689,527
Less accumulated depreciation	<u>(398,257)</u>	<u>(381,019)</u>
	<u>291,270</u>	<u>308,508</u>
Bar and restaurant refurbishment		
At cost	3,188,911	3,142,524
Less accumulated depreciation	<u>(1,159,702)</u>	<u>(1,044,095)</u>
	<u>2,029,209</u>	<u>2,098,429</u>
Marina decking		
At cost	1,989,881	1,989,881
Less accumulated depreciation	<u>(175,907)</u>	<u>(74,820)</u>
	<u>1,813,974</u>	<u>1,915,061</u>
Right-of-use assets		
At cost	68,314	68,314
Less accumulated depreciation	<u>(40,091)</u>	<u>(26,711)</u>
	<u>28,223</u>	<u>41,603</u>
Club gymnasium		
At cost	239,380	10,550
Less accumulated depreciation	<u>(23,064)</u>	<u>(318)</u>
	<u>216,316</u>	<u>10,232</u>
Glassware, crockery and cutlery		
At cost	<u>37,297</u>	<u>37,297</u>
Club gymnasium – leased asset	269,171	-
Less accumulated depreciation	<u>(22,431)</u>	<u>-</u>
	<u>246,740</u>	<u>-</u>
Pacific Room – refurbishment at cost	183,963	-
	<u>16,376,471</u>	<u>16,239,316</u>

Royal Motor Yacht Club of New South Wales Limited
Notes to the financial statements (Continued)
For the year ended 30 June 2022

Reconciliation of Carrying Amounts at the Beginning and End of period

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the financial year.

<u>2022</u>	Carrying Amount at Beginning of Year	Additions	Depreciation Expense	Carrying Amount at End of Year
Freehold land	1,200,000	-	-	1,200,000
Land adjoining Lot 2	2,160,980	-	-	2,160,980
Clubhouse, car park, inclinor, recreation and marina area	6,684,558	19,798	247,047	6,457,309
Marina tender	100,456	83,091	24,077	159,470
Marina berths	932,626		46,810	885,816
Plant, furniture and equipment	749,566	18,365	102,027	665,904
Swimming pool, infrastructure and landscaping	308,508	-	17,238	291,270
Bar and restaurant refurbishment	2,098,429	46,387	115,607	2,029,209
Marina decking	1,915,061	-	101,087	1,813,974
Right-of-use assets (Photocopier, printer & bottlecycler)	41,603	-	13,380	28,223
Gym equipment	10,232	228,830	22,746	216,316
Glassware, crockery and cutlery	37,297	-	-	37,297
Right of use asset – Gym equipments	-	269,171	22,431	246,740
Pacific room - refurbishment	-	183,963	-	183,963
	<u>16,239,316</u>	<u>849,605</u>	<u>712,450</u>	<u>16,376,471</u>

Royal Motor Yacht Club of New South Wales Limited
Notes to the financial statements (Continued)
For the year ended 30 June 2022

	2022	2021
	\$	\$
Note 10. Trade and other Payables		
Trade creditors	428,942	423,399
Other payables	111,812	120,802
	<u>540,754</u>	<u>544,201</u>
Note 11. Financial Liabilities		
Current		
Bank bill business loan (Note 17)	800,000	750,000
Lease liability (Note 11 (a))	14,604	14,604
	<u>814,604</u>	<u>764,604</u>
Non-current		
Bank bill business loan (Note 17)	-	1,250,000
Lease liability (Note 11 (a))	257,678	34,592
	<u>257,678</u>	<u>1,284,592</u>
Note 11(a) Lease Liability		
Balance movement		
As at 1 July	49,196	61,058
Additions	269,171	-
Accretion of interest	1,525	-
Payments	(47,610)	(11,862)
As at 30 June	<u>272,282</u>	<u>49,196</u>
Current	14,604	14,604
Non - current	257,678	34,592
The entity has lease contracts for various items of equipment used in its operations. Lease generally have lease terms between 4 and 7 years.		
Note 12. Provisions		
Current		
Employee benefits	<u>189,659</u>	<u>203,279</u>
Non-current		
Employee benefits	<u>59,892</u>	<u>62,300</u>
Note 13. Other liabilities		
Current		
Unearned income	169,677	147,975
Subscriptions in advance	682,905	493,215
	<u>852,582</u>	<u>641,190</u>
Non-current		
Unearned income	<u>2,201,050</u>	<u>1,959,519</u>

Royal Motor Yacht Club of New South Wales Limited
Notes to the financial statements (Continued)
For the year ended 30 June 2022

Note 14. Capital Commitments and Contingencies

	2022 \$	2021 \$
Capital commitments as at 30 June are as follow:		
Total contractual commitment	<u>nil</u>	<u>nil</u>

Note 15. Retained earnings

Retained profits at the beginning of the financial year	9,599,255	8,366,032
Net profit attributable to members of the company	<u>1,255,208</u>	<u>1,233,223</u>
Retained profits at the end of the financial year	<u>10,854,463</u>	<u>9,599,255</u>

Note 16. Related party disclosures

a) Key management personnel disclosures

The following were key management personnel of the Company at any time during the reporting period, and unless otherwise indicated were key management personnel for the entire period:

Non-executive directors

John Barbouttis (appointed 29/10/2021), Peter Calligeros (ceased 29/10/2021), Andrew Cusack (appointed 29/10/2021), Ian Dale, Michael Dinte, Michael Finkelstein, John Murray, Matthew J. Scarf, Robert Paridis Neil Webster and Michael Zammit (ceased 29/10/2021).

b) Transactions with key management personnel

No director of the Company receives any remuneration or retirement benefit.

c) Other key management personnel transactions with the Company

No key management personnel have entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving key management personnel interest existing at year-end. The directors of the Company may purchase goods, pay pen fees for marina usage, or participate in other Club activities. These transactions are on the same terms and conditions no more favourable than those available to other parties. Mr. J. Barbouttis is the brother of a partner in the firm of BT & A Consultants, which provided accountancy services amounting to \$33,000.

d) Loans to Key Management Personnel

There are no loans between key management personnel and the Company.

Royal Motor Yacht Club of New South Wales Limited
Notes to the financial statements (Continued)
For the year ended 30 June 2022

Note 17. Bank Facilities

The Company's borrowing facilities as at 30 June 2022, consists of Bank bill business loan with redraw facilities permitted only during a period in which a variable interest rate applies and bank overdraft facility, all of which are with Westpac Banking Corporation and are secured by a Registered Mortgage over 21 Wunulla Road, Point Piper and a mortgage debenture over all company assets. The bank bill facility of \$2,500,000 has an indicative interest rate of 2.59% and expiration date is 06/01/2023. Annual repayment of \$750,000 up to 06/01/2023. The bank overdraft facility has an indicative interest rate of 5.34% with an annual review but payable on demand.

The funding facilities available are as follows:

	2022 \$	2021 \$
Total facilities		
- Bank overdraft	150,000	150,000
- Bank bill business loan with redraw	<u>2,500,000</u>	<u>3,250,000</u>
	<u>2,650,000</u>	<u>3,400,000</u>
Facilities used at reporting date		
- Bank overdraft	-	-
- Bank bill business loan with redraw	<u>800,000</u>	<u>2,000,000</u>
	<u>800,000</u>	<u>2,000,000</u>
Facilities unused at reporting date		
- Bank overdraft	150,000	150,000
- Bank bill business loan with redraw	<u>1,700,000</u>	<u>1,250,000</u>
	<u>1,850,000</u>	<u>1,400,000</u>

Note 18. Membership Liability

The Company is a company limited by guarantee under the Corporations Law and does not have any share capital. In accordance with the Constitution of the Company every member undertakes to contribute such amount (not exceeding \$20.00) as may be required in the event of the winding up of the Company during the time that he or she is a member or within one year thereafter. At 30 June 2022, there were 1,832 members.

Note 19. Segment Reporting

The principal activity of the Company is the operation and maintenance of a motor yacht club and its attendant facilities. The company operated from only one location being Point Piper, New South Wales, Australia.

Note 20. Contingent Liability

	2022 \$	2021 \$
Bank guarantee: Roads and Maritime Services	<u>26,750</u>	<u>26,750</u>

Note 21. Core Property

Pursuant to Section 41J of the Registered Clubs Amendment Act 2006, the Club defines property as follows:

	2022 \$	2021 \$
Core Property	<u>15,022,521</u>	<u>15,300,163</u>

Core property includes the defined premises of the club and any facilities provided for the Club members. Accordingly, all property occupied by the Club is defined as core property.

Royal Motor Yacht Club of New South Wales Limited
Notes to the financial statements (Continued)
For the year ended 30 June 2022

Note 22. Events Subsequent to Balance Date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the company, to affect significantly the operations of the company, the results of those operations, or the state of affairs of the company, in subsequent financial years.

Royal Motor Yacht Club of New South Wales Limited
For the year ended 30 June 2022

Directors' Declaration

In accordance with a resolution of the directors of Royal Motor Yacht Club of New South Wales Limited, I state that:

1. In the opinion of the directors:
 - (a) the financial statements and notes of the Company are in accordance with the Corporations Act 2001 including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Simplified Disclosure Requirements and the *Corporations Regulations 2001*;
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



I. Dale
Commodore



A. Cusack
Honorary Treasurer

Sydney
08 November 2022



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Independent Auditor's Report to the Members of Royal Motor Yacht Club of New South Wales Limited

Opinion

We have audited the financial report of Royal Motor Yacht Club of New South Wales Limited (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, 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 2022 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards - Simplified 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 (including Independence Standards)* (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 comprises the information included in the annual report, but does not include the financial report and our auditor's report thereon.

The other information comprises the Director's Report, Income and Expenditure Account and Trading Statement 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 - Simplified 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



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- 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.

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Daniel Cunningham'.

Daniel Cunningham
Partner
Sydney
8 November 2022



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Disclaimer on additional financial information

The additional financial information, being the attached Income and Expenditure and Trading Statements, has been compiled by the management of Royal Motor Yacht Club of New South Wales Limited.

No audit or review has been performed by us and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than Royal Motor Yacht Club of New South Wales Limited may suffer arising from any negligence on our part. No person should rely on the additional financial information without having an audit or review conducted.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that reads 'Daniel Cunningham' in a cursive style.

Daniel Cunningham
Partner
Sydney
8 November 2022

Royal Motor Yacht Club of New South Wales Limited
Income and Expenditure Account
For the year ended 30 June 2022

	2022	2021
	\$	\$
INCOME		
Subscriptions	1,752,737	1,513,126
Net Income from Liquor Trading Statement	489,040	544,330
Net Loss from Members Dining Room Trading Statement	(169,224)	(297,534)
Net Income from Marina Trading Statement	561,587	506,436
Net Income from Regalia	656	540
Entrance / Joining fees	291,039	356,213
Sundry income	215,392	495,040
	<u>3,141,227</u>	<u>3,118,151</u>
EXPENSES		
Advertising	4,208	-
Administration – salaries and wages	264,846	321,955
Accounting fees	33,000	29,750
Audit fees	49,077	43,452
Bank charges	66,093	66,349
Cleaning & rubbish removal	127,789	119,748
Computer charges	47,266	33,926
Consultants Fees	42,785	33,106
Depreciation	424,868	339,278
Other expense	11,150	44,487
Donations	60,000	75,000
Electricity and gas	9,024	8,866
Filing fees	889	414
Flowers and decorations	3,632	3,415
Entertainment	4,402	1,056
Gymnasium	21,675	11,803
Gymnasium – salaries	100,658	158,706
Insurance	156,969	162,736
Interest	39,970	65,743
Legal and associated costs	12,257	8,470
Licensing fees and taxes	6,139	1,785
Members functions	20,645	3,061
Night patrol	-	280
Open day	-	-
Payroll tax	27,876	30,526
Postage	2,379	11,576
Printing & stationery	9,855	17,366
Provision for employee entitlements	(12,140)	(85,143)
Rates and taxes	92,355	86,693
Rental	-	-
Repairs and maintenance	172,117	197,006
Security	15,619	8,505
Staff training	527	14,236
Staff amenities	1,050	2,128
Staff hiring expenses	315	9,243
Subscriptions	3,649	4,224
Sundry expenses	12,183	7,396
Superannuation contributions	35,389	39,647
Telephone	4,519	5,174
Travelling	913	657
Uniforms	12,130	2,320
	<u>1,886,078</u>	<u>1,884,940</u>
TRADING PROFIT		
OTHER INCOME		
Interest received	59	12
	<u>1,255,208</u>	<u>1,233,223</u>
OPERATING PROFIT		

Royal Motor Yacht Club of New South Wales Limited
Trading Statement
For the year ended 30 June 2022

	2022	2021
	\$	\$
LIQUOR TRADING STATEMENT		
Liquor sales members dining room	745,574	747,999
Liquor sales Club Function centre	444,631	286,910
Sundry income	21,842	25,663
Zest trading Covid	-	130,481
Takeaway	282,324	181,856
	<u>1,494,371</u>	<u>1,372,909</u>
Opening stock	85,809	62,565
Purchases	598,628	502,394
	684,437	564,959
Closing stock	<u>(112,799)</u>	<u>(85,809)</u>
Cost of sales	<u>571,638</u>	<u>479,150</u>
Gross profit	<u>922,733</u>	<u>893,759</u>
EXPENSES		
Electricity	45,250	41,376
Provision for employee entitlements	11,003	(4,037)
Rental	4,432	-
Repairs and maintenance	25,412	11,183
Stocktaking fees	12,700	13,970
Sundry expenses	1,666	1,199
Superannuation contributions	17,792	17,912
Club function	288	
Caterer's cost	112,833	52,600
Wages	202,317	215,226
	<u>433,693</u>	<u>349,429</u>
Total expenses	<u>433,693</u>	<u>349,429</u>
NET INCOME	<u><u>489,040</u></u>	<u><u>544,330</u></u>

Royal Motor Yacht Club of New South Wales Limited
Trading Statement (Continued)
For the year ended 30 June 2022

	2022	2021
	\$	\$
MEMBERS' DINING ROOM AND CLUB FUNCTION TRADING STATEMENT		
Catering income	<u>821,574</u>	<u>919,967</u>
Opening stock	10,587	4,360
Purchases	345,829	422,781
Closing stock	<u>(9,920)</u>	<u>(10,587)</u>
Cost of sales	<u>346,496</u>	<u>416,554</u>
Gross profit	<u>475,078</u>	<u>503,413</u>
EXPENSES		
Advertising – Catering	-	185
Depreciation	115,607	128,331
Electricity and gas	22,348	20,688
Glassware / Crockery	2,614	2,548
Laundry	20,986	24,065
Provision for employees entitlement	9,535	12,072
Repairs and maintenance	8,560	27,112
Staff amenities	-	-
Staff hiring expenses	355	299
Sundry expenses	11,460	14,470
Superannuation contributions	55,828	60,112
Uniform	-	-
Wages	<u>590,948</u>	<u>673,397</u>
	<u>838,241</u>	<u>963,279</u>
LOSS FROM TRADING	(363,163)	(459,866)
Function license fee	<u>193,939</u>	<u>162,332</u>
NET LOSS	<u>(169,224)</u>	<u>(297,534)</u>

Royal Motor Yacht Club of New South Wales Limited
Trading Statement (Continued)
For the year ended 30 June 2022

	2022	2021
	\$	\$
MARINA TRADING STATEMENT		
Sales - fuel and oil	<u>518,101</u>	<u>411,916</u>
Opening stock	15,325	15,132
Purchases	<u>494,894</u>	<u>347,175</u>
	510,219	362,307
Closing stock	<u>(47,651)</u>	<u>(15,325)</u>
Cost of sales	<u>462,568</u>	<u>346,982</u>
Net Profit from fuel & oil	55,533	64,934
Mooring/Marina fees	52,141	53,006
Pen fees	1,427,763	1,393,316
Sundry income	<u>26,466</u>	<u>6,282</u>
Gross profit	<u>1,561,903</u>	<u>1,517,538</u>
EXPENSES		
Consultants fees	3,000	-
Depreciation - marina berths	46,810	49,294
Depreciation - marina tender	24,077	12,534
Depreciation – marina decking	101,088	74,820
Electricity and gas	51,082	47,287
Insurance	97,708	80,465
Provision for employee entitlements	(24,427)	(3,743)
Repairs and maintenance	186,183	131,020
Sundry expenses	6,992	12,133
Superannuation contributions	27,044	29,455
Wages – boatmen	315,033	355,619
Uniform	-	-
Waterways Authority rental	<u>165,726</u>	<u>222,218</u>
	<u>1,000,316</u>	<u>1,011,102</u>
NET INCOME	<u><u>561,587</u></u>	<u><u>506,436</u></u>
REGALIA TRADING STATEMENT		
	2022	2021
	\$	\$
Sales - Regalia	<u>13,796</u>	<u>13,165</u>
Opening stock	7,200	5,419
Purchases	<u>15,899</u>	<u>14,366</u>
Closing stock	<u>(9,959)</u>	<u>(7,200)</u>
Cost of sales	<u>13,140</u>	<u>12,585</u>
Gross profit	<u>656</u>	<u>580</u>
Expenses		
Sundry expense	<u>-</u>	<u>40</u>
NET INCOME	<u><u>656</u></u>	<u><u>540</u></u>