

**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**

**117th ANNUAL REPORT
and
ACCOUNTS
as at
30 June 2023**

**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 Christopher Smith AM, CSM, RAN

FLAG OFFICERS

COMMODORE

J. M. Barbouttis

VICE COMMODORE

N. Webster

REAR COMMODORE

M. Finkelstein

HONORARY TREASURER

N. O'Neil

DIRECTORS

M. Dinte R. Paradis A. Senes, J. Mackay, D. Simons

HOUSE COMMITTEE

N. Webster
R. Paradis
M. Dinte
J. Mackay

**FINANCE ADMINISTRATION
COMMITTEE**

J. M. Barbouttis
N. Webster
N. O'Neil

MARINE / SAFETY COMMITTEE

M. Finkelstein
F. Mamasoulis
D. Simons
A. Senes

MEMBERSHIP COMMITTEE

J. M. Barbouttis
M. Finkelstein
R. Paradis

LIFE MEMBERS

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

Royal Motor Yacht Club of New South Wales Limited

COMMODORE'S REPORT 2023

The financial reports which are presented to Members in this report straddle two boards.

I was delighted to have had the privilege to chair a new Board which commenced in November 2022. The new Board is a mixture of old and new Board members, all with the same ambition to make our Club the best it can be, and to ensure that members and their guests have the best facilities we can provide. This of course, requires not only the Board to have its hand on the wheel, but also the Club's staff.

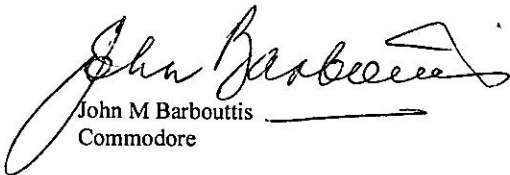
The Board's first decision was to appoint Jason Leven our General Manager, and Raj Vij our Marina Manager. This was done in consultation with Sue O'Donnell, our Secretary Manager who was seeking to reduce her working hours at the Club. One of the Board's new and significant management decisions was to transition to a new software programme integrating all the Clubs' facilities into a single program and making it easier for members to access the Club and its facilities. This software will be available to the Club by the end of year.

With the installation of this integrated software and having been a party to its adaptation, Sue advised me she would be retiring shortly after the AGM and would pass the Secretary Manager role to Jason.

I have personally known Sue and her family for nearly 30 years, and I have worked with her for most of that time. Initially the Club was in a perilous financial position, we borrowed, crossed our fingers, and hoped for the best, and those who were around then will testify, the change has been remarkable.

Sue has been a significant part of what we have achieved, and on behalf of all Members, I thank her for her service to the Club. I will at the conclusion of the AGM make a thank you presentation to Sue and ask members to attend the meeting to join the Board and staff in thanking Sue.

Finally, I wish to thank all our staff for their service to the Club and to congratulate again, our award-winning function caterers led by Rafael Kahn and his team.



John M Barbouttis
Commodore

The Board Notes the passing of the following members and expresses our sincerest sympathies to their families.

Warwick Armstrong
Sophia Harris
Kerry Manolas
Gary Sadler

Richard Blair
Claude Hakim
Jocelyn Murphy

Margot Christie
Steven Kalowski
Rory O'Moore

Royal Motor Yacht Club of New South Wales Limited
HONORARY TREASURER'S REPORT 2023

It is with great pleasure that I present the Club's 117th Annual Report and Financial Statements for the year ended 30 June 2023. The club is in an excellent financial position with almost no debt and strong cashflow from well-established operations.

As stated in the Commodore's Report it is difficult to compare the past two years with the current year due to the disruptions caused by the COVID-19 Pandemic. Our operating profit for this year is \$670,528 (2022: \$1,255,208 but pre-covid years was 2019: \$691,954) this figure includes depreciation of \$828,123 and interest of \$106,760. EBITDA \$1,605,411.

As of 30 June 2023, the club had \$50,000 debt drawn against its Westpac Loan Facility this is kept to a minimum and designed to keep the \$2.5m facility active in case it is required.

SUBSCRIPTION INCOME

Our subscription income for the year was \$2,038,268 (2022: \$1,752,737). The annual membership subscription fee for members is \$1,290 (including GST) and the entrance fees are \$7,700 (including GST).

MARINA

The net contribution attributable to Marina Trading was a profit of \$503,609 (2022: \$561,587). The main reasons for this change were wages, insurance and repairs costs increasing. These are to be expected with a facility of this age.

LIQUOR TRADING

The net contribution attributable to Liquor Trading was a profit of \$645,610 (2022: \$489,040). This has been largely driven by sales through the members dining room.

MEMBERS DINING ROOM

The net contribution attributable to Dining Trading was a loss of \$534,571 (2022: loss \$169,224). This is largely due to increased wages and increased food costs. However, we strongly believe that the quality and offering has improved significantly over the last 12 months.

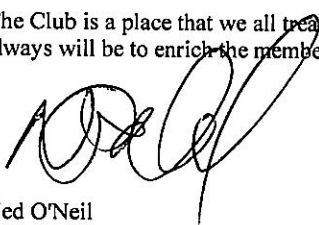
STATEMENT OF FINANCIAL POSITION

The statement of financial position reflects the members' equity and as at the 30 June 2023 stood at \$13,580,794 (2022: \$12,910,266).

CONCLUSION

I would like to take this opportunity to thank all wonderful staff who make the Club the special place it is.

The Club is a place that we all treasure and is a Club for members which is owned by the members. Our goal is and always will be to enrich the membership experience and add value to your membership.



Ned O'Neil
Honorary Treasurer

Royal Motor Yacht Club of New South Wales Limited
Directors' report
For the year ended 30 June 2023

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 2023.

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 M. Barbouttis, Andrew Cusack, Ian Dale, Michael Dinte, Michael Finkelstein, John Murray, Robert Paridis, Matthew J. Scarf, Neil Webster, Aaron Senes, Jamie Mackay, Derek Simons and Ned O'Neil.

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 \$670,528 (2022: \$1,255,508). This resulted after charging \$828,123 (2022: \$712,450) for depreciation and \$106,760 (2022: \$106,063) 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 2023 and the comparison with last year is as follows:

<u>Members</u>	<u>2023</u>	<u>2022</u>
General	1,677	1,614
Boat owners	83	83
Boat owners/Life	1	1
Life	2	3
Honorary	37	26
Junior	102	105
	<u>1,902</u>	<u>1,832</u>

Review of operations

	2023	2022
	\$	\$
Total operating revenue	<u>7,986,364</u>	<u>6,807,378</u>
Gross trading profit was as follows:		
Entrance Fee New Membership	335,665	291,039
Sundry income	68,907	215,392
Liquor trading	1,160,357	922,733
Dining Room trading	571,619	475,078
Interest received	2,082	59
Function area income	251,808	193,939
Marina trading	1,608,790	1,561,903
Regalia trading	9,522	656
Subscriptions	2,038,268	1,752,738

The net assets of the company have increased by \$670,528.

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 2023

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	5	4
Matthew Scarf	5	5
John Barbouttis	10	8
Andrew Cusack	5	5
Michael Dinte	10	9
Michael Finkelstein	10	9
John Murray	5	5
Robert Paridis	10	10
Neil Webster	10	9
Jamie Mackay	5	5
Aaron Senes	5	5
Derek Simons	5	4
Ned O'Neil	5	4

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, Neil Webster, Jamie Mackay, Aaron Senes, Derek Simons and Ned O'Neil. 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 from 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 2023**

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, kitchen and function room.

Information on directors

John Barbouttis B. Com (Hons), LLB
Appointed 29/10/2020
Director 28 years
Solicitor

Jamie Mackay
Appointed 30 November 2022
Company Director

Andrew Cusack
Appointed 29/10/2020
Ceased 30 November 2022
Director 2 years
Company Director

Robert D. Paradis
Appointed 08/11/2018
Director 5 years
Company Director

Ian Dale
Appointed 28/10/2015
Director 7 years
Ceased 30 November 2022
Company Director

Matthew J. Scarf
Appointed 28/06/2006
Ceased 30 November 2022
Director 16 years
Company Director

Michael Dinte
Appointed 27/10/2016
Director 7 years
Company Director

Aaron Senes
Appointed 30 November 2022
Company Director

Michael Finkelstein
Appointed 26/09/2013
Director 10 years
Company Director

Derek Simons
Appointed 30 November 2022
Company Director

John Murray
Appointed 29/03/2019
Director 3 years
Ceased 30 November 2022
Company Director

Neil Webster
Appointed 29/09/1993
Director 30 years
Company Director

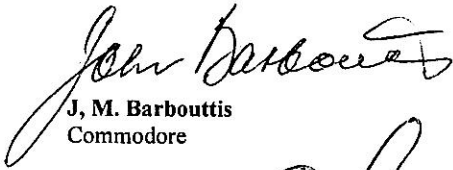
Ned O'Neil
Appointed 30 November 2022
Company Director

**Royal Motor Yacht Club of New South Wales Limited
Directors' report (Continued)
For the year ended 30 June 2023**

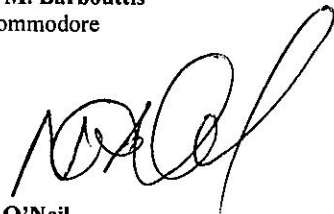
Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2023 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.



J, M. Barbouttis
Commodore



N.O'Neil
Honorary Treasurer

Sydney 31/10/2023



**Building a better
working world**

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Fax: +61 2 9248 5959
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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 2023, 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
31 October 2023

Royal Motor Yacht Club of New South Wales Limited
Statement of Comprehensive Income
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Continuing Operations			
Revenue	3	7,984,282	6,612,901
Interest Income	3	2,082	59
JobKeeper subsidy income	3	-	194,418
		<u>7,986,364</u>	<u>6,807,378</u>
Costs of sales			
- Marina trading		(525,053)	(462,568)
- Dining room		(632,419)	(346,496)
- Liquor trading		(774,245)	(571,638)
- Regalia		(7,629)	(13,139)
		<u>(1,939,346)</u>	<u>(1,393,841)</u>
Gross Profit		6,047,018	5,413,537
Administrative costs	4	(2,748,687)	(1,883,255)
Operating costs	4	(2,177,377)	(1,931,868)
Other costs		(343,666)	(237,143)
		<u>(5,269,730)</u>	<u>(4,052,266)</u>
Finance costs	4	(106,760)	(106,063)
Net finance costs		(106,760)	(106,063)
Profit before income tax		670,528	1,255,208
Income tax expenses	5	-	-
Profit from continuing operations		670,528	1,255,208
Profit for the period		670,528	1,255,208
Other Comprehensive Income		-	-
Total Comprehensive Income for the period		670,528	1,255,208

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 2023

	Note	2023 \$	2022 \$
Current assets			
Cash and cash equivalents	6	364,865	632,453
Contract assets and other receivables	7	667,039	637,231
Inventories	8	270,111	180,330
Total current assets		<u>1,302,015</u>	<u>1,450,014</u>
Non-current assets			
Property, plant and equipment	9	16,508,486	16,376,471
Total non-current assets		<u>16,508,486</u>	<u>16,376,471</u>
Total assets		<u>17,810,501</u>	<u>17,826,485</u>
Current liabilities			
Trade and other payables	10	417,325	540,754
Provisions	12	303,222	189,659
Other liabilities	13	849,308	852,582
Financial liabilities	11	14,604	814,604
Total current liabilities		<u>1,584,459</u>	<u>2,397,599</u>
Non-current liabilities			
Provisions	12	61,382	59,892
Other liabilities	13	2,338,971	2,201,050
Financial liabilities	11	244,895	257,678
Total non-current liabilities		<u>2,645,248</u>	<u>2,518,620</u>
Total liabilities		<u>4,229,707</u>	<u>4,916,219</u>
Net assets		<u>13,580,794</u>	<u>12,910,266</u>
Equity			
Assets revaluation reserve		2,055,803	2,055,803
Retained earnings	15	11,524,991	10,854,463
Total Equity		<u>13,580,794</u>	<u>12,910,266</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 2023

	Asse ^r Revaluation Reserve	Retained Earnings	Total
	\$	\$	\$
At 1 July 2022	2,055,803	10,854,463	12,910,266
Profit for the year	-	670,528	670,528
At 30 June 2023	2,055,803	11,524,991	13,580,794
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 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Cash receipts in the course of operations		8,928,532	7,904,186
Cash payments in the course of operations		(7,318,521)	(5,553,377)
Interest received	3	2,082	59
Finance costs	4	(106,760)	(106,063)
Net cash provided by operating activities		<u>1,505,333</u>	<u>2,244,805</u>
Cash flows from investing activities			
Payment for property, plant and equipment		<u>(960,138)</u>	<u>(580,434)</u>
Net cash used in investing activities		<u>(960,138)</u>	<u>(580,434)</u>
Cash flows from financing activities			
Repayment of borrowings		(1,200,000)	(1,200,000)
Loans obtained		450,000	-
Principal payment of lease liability		<u>(62,783)</u>	<u>(46,085)</u>
Net cash (used)/provided by financing activities		<u>(812,783)</u>	<u>(1,246,085)</u>
Net increase/(decrease) in cash held		<u>(267,588)</u>	<u>418,286</u>
Cash and cash equivalents at the beginning of the financial year		<u>632,453</u>	<u>214,167</u>
Cash and cash equivalents at the end of the financial year	6	<u>364,865</u>	<u>632,453</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 2023

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 2023 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

The financial report is a general purposes financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards – Simplified Disclosure and other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Interpretations.

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 2023, the Club's total current liabilities exceeded by total current assets by \$282,444 including \$154,693 of unearned income and \$694,615 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 2023 the Club generated a surplus of \$670,528 and had operating cashflows of \$1,505,333. At 30 June 2023, the Club had unused banking facilities of \$2,600,000. 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 2023. 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 2023

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 or 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.

Royal Motor Yacht Club of New South Wales Limited
Notes to the financial statements (Continued)
For the year ended 30 June 2023

Note 2. Summary of Significant Accounting Policies (Continued)

(q) Application of new and revised Accounting Standards

New and amended Accounting Standards and Interpretations

There are no new or amended Australian Accounting Standards and interpretations that apply for the first time in current year and having materially impact the financial statements of the Company.

(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 2023

Note 3. Revenue	2023	2022
	\$	\$
Sale of goods		
- Catering sales	1,204,038	821,574
- Liquor sales Members Dining Room	1,118,746	745,574
- Liquor sales Club function centre	780,221	726,955
- Sales of fuel and oil	608,286	518,101
- Regalia sales	17,150	13,796
	<u>3,728,441</u>	<u>2,826,000</u>
Rendering of services		
- Mooring fees and Pen fees	1,490,085	1,479,904
- Subscriptions	2,038,268	1,752,737
- Licence fees	251,808	193,939
- Entrance Fee new membership	335,665	291,039
- Other revenue	140,015	69,282
	<u>4,255,841</u>	<u>3,786,901</u>
Total revenue	<u>7,984,282</u>	<u>6,612,901</u>
Other income		
- Interest revenue	2,082	59
- Job Keeper subsidy income	-	194,418
	<u>2,082</u>	<u>194,477</u>
Total revenue and other income	<u>7,986,364</u>	<u>6,807,378</u>

All revenue is derived in Australia. There are no other geographical locations generating revenue for the Company.

Note 4. Expenses	2023	2022
	\$	\$
Administrative costs		
- Salaries and wages	2,219,155	1,586,635
- Superannuation	217,220	136,053
- Audit	37,200	49,077
- Accountancy	30,500	33,000
- Payroll tax	61,112	27,876
- Employee benefits provisions	115,053	(16,029)
- Insurance Workers Compensation	45,875	51,118
- Legal	8,114	12,257
- Postage	11,667	2,379
- Filing fees	2,791	889
	<u>2,748,687</u>	<u>1,883,255</u>
Finance costs		
- Bank fees and charges	75,642	66,093
- Interest	31,118	39,970
	<u>106,760</u>	<u>106,063</u>
Operating costs		
- Depreciation	828,123	712,450
- Repairs and Maintenance	379,884	392,272
- Maritime rental	183,079	165,726
- Electricity and gas	132,922	127,704
- Cleaning and Rubbish removal	170,014	127,788
- Insurance	224,713	203,559
- Rates and Land tax	96,123	92,355
- Members functions	65,395	20,933
- Computer expenses	44,911	47,266
- Stock taking	18,280	12,700
- Telephone	4,969	4,519
- Rental - Equipment	7,790	4,432
- Decorations	8,555	3,632
- Uniforms	6,516	12,130
- Entertainment	6,103	4,402
	<u>2,177,377</u>	<u>1,931,868</u>

Other cost	343,666	237,143
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Royal Motor Yacht Club of New South Wales Limited
Notes to the financial statements (Continued)
For the year ended 30 June 2023

Note 5. Income tax

Reconciliation tax expense and accounting profit multiplied by Australia's domestic income tax rate	2023 \$	2022 \$
Accounting profit before tax	670,528	1,255,208
At the Club's statutory tax rate of 25%	167,632	313,802
Proportion of income attributable to non-members	852,931	602,777
Proportion of expenses attributed to non-members	(1,364,958)	(1,105,201)
Other items (net)	<u>216,087</u>	<u>231,067</u>
Tax (loss) / profit for the year (before tax loss applied)	<u>(295,940)</u>	<u>(271,357)</u>
Income tax losses brought to account	<u>(295,940)</u>	<u>(271,357)</u>
Tax losses brought forward	<u>(5,536,367)</u>	<u>(5,265,367)</u>

(a) Tax losses and unrecognised temporary differences

The company has tax losses of \$5,832,307 (2022: \$5,536,367) 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	2023 \$	2022 \$
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Cash and cash equivalents	<u>364,865</u>	<u>632,453</u>
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Note 7. Contract assets and other receivables

Contract assets	539,409	501,920
Other receivables and prepayments	<u>127,630</u>	<u>135,311</u>
	<u>667,039</u>	<u>637,231</u>

Note 8. Inventories

Liquor, food and fuel - at cost	252,351	170,371
Regalia - at cost	<u>17,760</u>	<u>9,959</u>
	<u>270,111</u>	<u>180,330</u>

Royal Motor Yacht Club of New South Wales Limited
Notes to the financial statements (Continued)
For the year ended 30 June 2023

	2023	2022
	\$	\$
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	9,300,451
Less accumulated depreciation	<u>(3,088,799)</u>	<u>(2,843,142)</u>
	<u>6,211,652</u>	<u>6,457,309</u>
Marina tender		
At cost	383,182	381,295
Less accumulated depreciation	<u>(245,800)</u>	<u>(221,825)</u>
	<u>137,382</u>	<u>159,470</u>
Marina berths		
At cost	2,639,108	2,639,108
Less accumulated depreciation	<u>(1,797,743)</u>	<u>(1,753,292)</u>
	<u>841,365</u>	<u>885,816</u>
Plant, furniture equipment		
At cost	3,022,817	2,991,217
Less accumulated depreciation	<u>(2,433,429)</u>	<u>(2,325,313)</u>
	<u>589,388</u>	<u>665,904</u>
Work in progress		
At cost	93,300	-
Less accumulated depreciation	<u>-</u>	<u>-</u>
	<u>93,300</u>	<u>-</u>
Swimming pool, infrastructure and landscaping		
At cost	689,527	689,527
Less accumulated depreciation	<u>(415,495)</u>	<u>(398,257)</u>
	<u>274,032</u>	<u>291,270</u>
Bar and restaurant refurbishment		
At cost	3,351,077	3,188,911
Less accumulated depreciation	<u>(1,280,482)</u>	<u>(1,159,702)</u>
	<u>2,070,595</u>	<u>2,029,209</u>
Marina decking		
At cost	1,989,881	1,989,881
Less accumulated depreciation	<u>(276,995)</u>	<u>(175,907)</u>
	<u>1,712,886</u>	<u>1,813,974</u>
Right-of-use assets		
At cost	68,314	68,314
Less accumulated depreciation	<u>(53,471)</u>	<u>(40,091)</u>
	<u>14,843</u>	<u>28,223</u>
Club gymnasium		
At cost	239,380	239,380
Less accumulated depreciation	<u>(56,710)</u>	<u>(23,064)</u>
	<u>182,670</u>	<u>216,316</u>
Glassware, crockery and cutlery		
At cost	37,297	37,297
	<u>37,297</u>	<u>37,297</u>
Club gymnasium – leased asset		
At cost	269,171	269,171
Less accumulated depreciation	<u>(53,145)</u>	<u>(22,431)</u>
	<u>216,026</u>	<u>246,740</u>

Royal Motor Yacht Club of New South Wales Limited
Notes to the financial statements (Continued)
For the year ended 30 June 2023

Pacific Room – refurbishment	855,148	183,963
Less accumulated depreciation	(89,078)	-
	<u>766,070</u>	<u>183,963</u>
	<u>16,508,486</u>	<u>16,376,471</u>

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 2023.

<u>2023</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, inclinator, recreation and marina area	6,457,309	-	245,657	6,211,652
Marina tender	159,470	1,887	23,975	137,382
Marina berths	885,816	-	44,451	841,365
Plant, furniture and equipment	665,904	31,600	108,116	589,388
Work in progress	-	93,300	-	93,300
Swimming pool, infrastructure and landscaping	291,270	-	17,238	274,032
Bar and restaurant refurbishment	2,029,209	162,166	120,780	2,070,595
Marina decking	1,813,974	-	101,088	1,712,886
Right-of-use assets	28,223	-	13,380	14,843
Gym equipment	216,316	-	33,646	182,670
Glassware, crockery and cutlery	37,297	-	-	37,297
Gym equipment – leased asset	246,740	-	30,714	216,026
Pacific room - refurbishment	183,963	671,185	89,078	766,070
	<u>16,376,471</u>	<u>960,138</u>	<u>828,123</u>	<u>16,508,486</u>

Royal Motor Yacht Club of New South Wales Limited
Notes to the financial statements (Continued)
For the year ended 30 June 2023

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the financial year 2022.

<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, inclinator, 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 equipment	-	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 2023

	2023	2022
	\$	\$
Note 10. Trade and other payables		
Trade creditors	367,629	428,942
Other payables	49,696	111,812
	<u>417,325</u>	<u>540,754</u>
Note 11. Financial liabilities		
Current		
Bank bill business loan (Note 17)	-	800,000
Lease liability	14,604	14,604
	<u>14,604</u>	<u>814,604</u>
Non-current		
Bank bill business loan (Note 17)	50,000	-
Lease liability	194,895	257,678
	<u>244,895</u>	<u>257,678</u>
Note 11 (a) Lease Liability		
Balance movement		
As at 1 July	272,282	49,196
Additions	-	269,171
Accretion of interest	2,287	1,525
Payments	(65,070)	(47,610)
As at 30 June	<u>209,499</u>	<u>272,282</u>
Current	14,604	14,604
Non-current	194,895	257,678
<p>The entity has lease contracts for various items of equipment used in its operations. Lease generally have lease terms between 4 and 7 years (interest 3.14%)</p>		
Note 12. Provisions		
Current		
Employee benefits	<u>303,222</u>	<u>189,659</u>
Non-current		
Employee benefits	<u>61,382</u>	<u>59,892</u>

Royal Motor Yacht Club of New South Wales Limited
Notes to the financial statements (Continued)
For the year ended 30 June 2023

	2023	2022
	\$	\$
Note 13. Other liabilities		
Current		
Unearned income	154,693	169,677
Subscriptions in advance	<u>694,615</u>	<u>682,905</u>
	<u>849,308</u>	<u>852,582</u>
Non-current		
Unearned	<u>2,338,971</u>	<u>2,201,050</u>

Note 14. Capital Commitments and Contingencies
Capital commitments as at 30 June are as follows:

Total contractual commitment	nil	nil
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Note 15. Retained earnings

Retained profits at the beginning of the financial year	10,854,463	9,599,255
Net profit attributable to members of the company	670,528	1,255,208
Retained profits at the end of the financial year	11,524,991	10,854,463

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, Ian Dale (ceased 30 November 2022), Andrew Cusack (ceased 30 November 2022), Michael Dinte, Michael Finkelstein, Jamie Mackay (appointed 30 November 2022), John Murray (ceased 30 November 2022), Ned O'Neil (appointed 30 November 2022) Matthew J. Scarf (ceased 30 November 2022), Robert Paridis, Aaron Senes (appointed 30 November 2022) Derek Simons (appointed 30 November 2022) Neil Webster

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 \$30,500.

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 2023

Note 17. Bank Facilities

The Company's borrowing facilities as at 30 June 2023, 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 6.715% and expiration date is 08/05/2025. The bank overdraft facility has an indicative interest rate of 9.34% with an annual review but payable on demand.

The funding facilities available are as follows:

	2023	2022
	\$	\$
Total facilities		
- Bank overdraft	150,000	150,000
- Bank bill business loan with redraw	<u>2,500,000</u>	<u>2,500,000</u>
	<u>2,650,000</u>	<u>2,650,000</u>
Facilities used at reporting date		
- Bank overdraft	-	-
- Bank bill business loan with redraw	<u>50,000</u>	<u>800,000</u>
	<u>50,000</u>	<u>800,000</u>
Facilities unused at reporting date		
- Bank overdraft	150,000	150,000
- Bank bill business loan with redraw	<u>2,450,000</u>	<u>1,700,000</u>
	<u>2,600,000</u>	<u>1,850,000</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 2023, there were 1,903 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

	2023	2022
	\$	\$
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:

	2023	2022
	\$	\$
Core Property	<u>15,237,580</u>	<u>15,022,521Sim</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 2023

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.

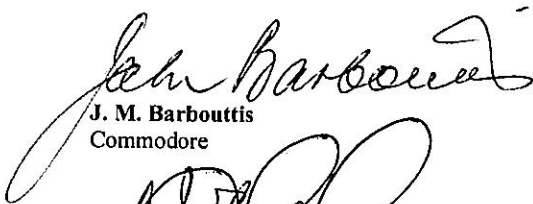
**Royal Motor Yacht Club of New South Wales Limited
For the year ended 30 June 2023**

Directors' Declaration

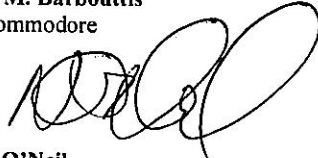
In accordance with a resolution of the directors of Royal Motor Yacht Club of New South Wales Limited, I state that:

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 2023 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



J. M. Barbouttis
Commodore



N. O'Neil
Honorary Treasurer

Sydney

31/10/2023



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working world**

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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 2023, 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 2023 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, appearing to read 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Daniel Cunningham'.

Daniel Cunningham
Partner
Sydney
31 October 2023



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working world**

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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
31 October 2023

Royal Motor Yacht Club of New South Wales Limited
Income and Expenditure Account
For the year ended 30 June 2023

	2023	2022
	\$	\$
INCOME		
Subscriptions	2,038,268	1,752,737
Net Income from Liquor Trading Statement	645,610	489,040
Net Loss from Members Dining Room Trading Statement	(534,571)	(169,224)
Net Income from Marina Trading Statement	503,609	561,587
Net Income from Regalia	8,917	656
Entrance / Joining fees	335,665	291,039
Sundry income	68,907	215,392
	<u>3,066,405</u>	<u>3,141,227</u>
EXPENSES		
Advertising	28,303	4,208
Administration – salaries and wages	420,926	264,846
Accounting fees	30,500	33,000
Audit fees	37,200	49,077
Bank charges	75,642	66,093
Cleaning & rubbish removal	170,014	127,789
Computer charges	44,911	47,266
Consultants Fees	12,726	42,785
Depreciation	537,829	424,868
Other expense	46,173	11,150
Donations	70,250	60,000
Electricity and gas	9,969	9,024
Filing fees	2,791	889
Flowers and decorations	8,555	3,632
Entertainment	6,103	4,402
Gymnasium	28,647	21,675
Gymnasium – salaries	131,745	100,658
Insurance	162,726	156,969
Interest	31,118	39,970
Legal and associated costs	8,114	12,257
Licensing fees and taxes	6,990	6,139
Balance c/f	<u>1,871,232</u>	<u>1,486,697</u>

Royal Motor Yacht Club of New South Wales Limited
Income and Expenditure Account (Continued)
For the year ended 30 June 2023

	2023	2022
	\$	\$
<i>Balance b/f</i>	1,871,232	1,486,697
Members functions	52,793	20,645
Open day	12,602	-
Payroll tax	61,112	27,876
Postage	11,668	2,379
Printing and stationery	22,179	9,855
Provision for employee entitlements	20,735	(12,140)
Rates and taxes	96,123	92,355
Repairs and maintenance	133,097	172,117
Security	9,805	15,619
Staff training	2,032	527
Staff amenities	-	1,050
Staff hiring expenses	427	315
Subscriptions	6,212	3,649
Sundry expenses	8,415	12,183
Superannuation contributions	58,316	35,389
Telephone	4,969	4,519
Travelling	1,090	913
Uniforms	6,516	12,130
Valuation fee	18,636	-
	<u>2,397,959</u>	<u>1,886,078</u>
TRADING PROFIT	<u>668,446</u>	<u>1,255,149</u>
OTHER INCOME		
Interest received	<u>2,082</u>	<u>59</u>
OPERATING PROFIT	<u><u>670,528</u></u>	<u><u>1,255,208</u></u>

Royal Motor Yacht Club of New South Wales Limited
Trading Statement
For the year ended 30 June 2023

	2023	2022
	\$	\$
LIQUOR TRADING STATEMENT		
Liquor sales members dining room	1,118,746	745,574
Liquor sales Club Function centre	491,201	444,631
Sundry income	35,635	21,842
Takeaway	<u>289,020</u>	<u>282,324</u>
	<u>1,934,602</u>	<u>1,494,371</u>
Opening stock	112,799	85,809
Purchases	<u>875,916</u>	<u>598,628</u>
	988,715	684,437
Closing stock	<u>(214,470)</u>	<u>(112,799)</u>
Cost of sales	<u>774,245</u>	<u>571,638</u>
Gross profit	<u>1,160,357</u>	<u>922,733</u>
EXPENSES		
Electricity	46,523	45,250
Provision for employee entitlements	9,990	11,003
Rental	7,790	4,432
Repairs and maintenance	29,019	25,412
Stocktaking fees	18,280	12,700
Sundry expenses	964	1,666
Superannuation contributions	25,595	17,792
Club function		288
Caterer's cost	115,048	112,833
Wages	<u>261,538</u>	<u>202,317</u>
Total expenses	<u>514,747</u>	<u>433,693</u>
NET INCOME	<u>645,610</u>	<u>489,040</u>

Royal Motor Yacht Club of New South Wales Limited
Trading Statement (Continued)
For the year ended 30 June 2023

	2023	2022
	\$	\$
MEMBERS' DINING ROOM AND CLUB FUNCTION TRADING STATEMENT		
Catering income	<u>1,204,038</u>	<u>821,574</u>
Opening stock	9,920	10,587
Purchases	638,129	345,829
Closing stock	<u>(15,630)</u>	<u>(9,920)</u>
Cost of sales	<u>632,419</u>	<u>346,496</u>
Gross profit	<u>571,619</u>	<u>475,078</u>
EXPENSES		
Depreciation	120,780	115,607
Electricity and gas	23,260	22,348
Glassware / Crockery	16,621	2,614
Laundry	33,150	20,986
Provision for employees entitlement	59,730	9,535
Repairs and maintenance	21,437	8,560
Staff hiring expenses	14,310	355
Sundry expenses	11,313	11,460
Superannuation contributions	99,407	55,828
Wages	<u>957,990</u>	<u>590,948</u>
	<u>1,357,998</u>	<u>838,241</u>
LOSS FROM TRADING	(786,379)	(363,163)
Function license fee	<u>251,808</u>	<u>193,939</u>
NET LOSS	<u>(534,571)</u>	<u>(169,224)</u>

Royal Motor Yacht Club of New South Wales Limited
Trading Statement (Continued)
For the year ended 30 June 2023

	2023 \$	2022 \$
MARINA TRADING STATEMENT		
Sales - fuel and oil	608,286	518,101
Opening stock	47,651	15,325
Purchases	499,652	494,894
	547,303	510,219
Closing stock	(22,251)	(47,651)
Cost of sales	525,052	462,568
Net Profit from fuel & oil	83,234	55,533
Mooring/Marina fees	51,958	52,141
Pen fees	1,438,127	1,427,763
Sundry income	35,473	26,466
Gross profit	1,608,792	1,561,903
EXPENSES		
Consultants fees	-	3,000
Depreciation - marina berths	44,451	46,810
Depreciation - marina tender	23,975	24,077
Depreciation - marina decking	101,088	101,088
Electricity and gas	53,169	51,082
Insurance	107,862	97,708
Provision for employee entitlements	24,598	(24,427)
Repairs and maintenance	196,331	186,183
Sundry expenses	4,820	6,992
Superannuation contributions	33,902	27,044
Wages - boatmen	331,908	315,033
Waterways Authority rental	183,079	165,726
	1,105,183	1,000,316
NET INCOME	503,609	561,587
REGALIA TRADING STATEMENT		
Sales - Regalia	17,150	13,796
Opening stock	9,959	7,200
Purchases	15,429	15,899
Closing stock	(17,760)	(9,959)
Cost of sales	7,628	13,140
Gross profit	9,522	656
Expenses		
Sundry expense	605	-
NET INCOME	8,917	656