

Drummoyne Sailing Club Limited

ABN 19 000 895 705

Financial Statements - 30 June 2022

Drummoyne Sailing Club Limited

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Drummoyne Sailing Club Limited

Directors' report

30 June 2022

The directors present their report, together with the financial statements, on the club for the year ended 30 June 2022.

Directors

The following persons were directors of the club during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr David V Mitchell
Mr John M Whitelock - Resigned 24 February 2022
Mr Tim Valtwies
Mr Bruce I Moore
Ms Kim Henley
Mr Grant Wakefield
Mr Simon Armstrong-Bunker
Mr James Restuccia – Appointed 25 August 2022

Vision and Values

Vision

To be recognised as a vibrant and respected sailing club encouraging participation in sailing through all age groups.

Values

The core values of the club as set out in the Strategic Plan include:

Trust and Integrity – make ethical and honest decisions for the benefit of the club, its members and its stakeholders.

Passionate and Committed – we will deliver quality outcomes to our members and guests.

Respectful and Considerate – we will respect people from all walks of life and be considerate of the needs of our members, guests, the community and environment.

Progressive yet true to our history and traditions – we will continue to be progressive in our thinking to ensure we prosper and grow – while keeping in mind strong links to our past.

Friendship and Fellowship – having a welcoming club atmosphere for members and visitors alike.

Objectives

The club's short-term objectives are to continuously strive to improve the club's services and amenities to all members and to promote its sailing activities.

The club's long-term objectives are to continue development and implementation of the Strategic Plan which includes the ongoing viability of the clubhouse and sailing.

Strategy for achieving the objectives

To achieve its stated objectives, the club has adopted the following strategies:

- to invest in our infrastructure to support sailing activities;
- to promote the club including the sailing and social activities of the club;
- incorporate financial planning and ensure debt is able to be managed prudently;
- ensure the club remains accessible, comfortable and affordable for members.

Principal activities

During the financial year the principal continuing activities of the club consisted of:

- promoting and encouraging sailing and racing of 16-foot and other class sailing vessels within the District of Drummoyne in the State of New South Wales; and
- the provision of meals, refreshments, social, recreational and sporting activities to its members.

Performance measures

The club measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial performance of the club and whether the club's short-term and long-term objectives are being achieved.

Drummoyne Sailing Club Limited

Directors' report

30 June 2022

Review of Operations

Whilst the Club delivered an outstanding annual profit of \$234,400, the results were adversely impacted by the State Government mandated Covid-19 shutdown from 1 July to mid October 2021, during which period the Club was unable to trade and lost (\$331,562.38), net of State and Federal Government subsidies of \$183,396, the majority of which used to subsidise staff wages during the period of the Club's closure.

Upon re-opening from mid October 2021, the Club gradually recovered momentum and enjoyed a buoyant return to profitability of \$565,962 during the remaining eight and a half months to June 2022, ending the year with robust cash balances of approximately \$2,006,591. This year's profit resulted from continued growth in most of the Club's main trading profit centres, concentration on improving member service and experience, increases in numbers of new members, renewal of the Sailor's Grill contract, and upgrade to facilities such as the Sailor's Bar.

Amongst other strategies, the Board undertook an extensive planning and consultation process during the year to prioritise and co-ordinate the development of the Club and the site over coming decades. An exhaustive process was implemented to set the terms of reference and select a leading architectural firm to prepare a Master Plan for the Club.

Significant changes in the state of affairs

There were no other significant changes in the state of affairs of the club during the financial year.

Information on directors

Name: David V Mitchell
Title: President
Qualifications: Manager Waterfront Construction, CDI Mandatory Director Training
Experience and expertise: 8 years as President, 13 years as director and previously 5 years as Commodore.
Special responsibilities: Finance, Building Expansion

Name: John M Whitelock - Resigned 24 February 2022
Title: Vice President
Qualifications: Emeritus Professor, CDI Mandatory Director Training
Experience and expertise: 29 years' experience as a research scientist and academic manager. 4 years as Vice President, 10 years as Director and previously 2 years as Commodore.
Special responsibilities: Building Expansion

Name: Tim Valtwies
Title: Director
Qualifications: Chartered Accountant, CDI Mandatory Director Training
Experience and expertise: 7 years as Director, Partner at ESV Business Advice and Accounting
Special responsibilities: Finance

Name: Bruce I Moore
Title: Director
Qualifications: Graduate of Australian Institute Company Directors, Fellow Institute Chartered Accountants in Australia & New Zealand, former partner Deloitte Touche Tomatsu, CDI Mandatory Director Training
Experience and expertise: 7 years as Director. Previously 11 years as director from 1993 to 2004.
Special responsibilities: Finance

Name: Kim Henley
Title: Director
Qualifications: Workplace Relations Manager, CDI Mandatory Director Training
Experience and expertise: 7 years as Director
Special responsibilities: Workplace Relations

Name: Grant Wakefield
Title: Director
Qualifications: GAICD, CDI Mandatory Director Training
Experience and expertise: Experienced Business Manager, including 16 years as SME Managing Director and Board member. Currently 4 years as Director and previously 4 years as Commodore.
Special responsibilities: Branding

Drummoyne Sailing Club Limited
Directors' report
30 June 2022

Name: Simon Armstrong-Bunker
 Title: Director
 Qualifications: Master of Business Administration (MBA), CDI Mandatory Director Training
 Experience and expertise: 17 years business management. Currently 3 years as Director
 Special responsibilities: Board representative to the Sailing Committee, Building Expansion

Name: James Restuccia - Appointed 25 August 2022
 Title: Director
 Qualifications: Master of Business Administration (MBA), Chartered Professional Engineer, Member of Australian Institute Company Directors
 Experience and expertise: Over 25 years' experience in project management and commercial management on engineering and infrastructure projects, Principal and Director of E3 Advisory
 Special responsibilities: Building Expansion

Environmental regulation

The club is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Meetings of directors

The number of meetings of the club's Board of Directors ('the Board') held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Building Expansion Attended	Building Expansion Held	Sailing Attended	Sailing Held	Finance Attended	Finance Held
David V Mitchell	13	13	-	-	10	12
John M Whitelock	8	13	-	-	-	-
Tim Valtwies	-	-	-	-	11	12
Bruce Moore	-	-	-	-	12	12
Kim Henley	-	-	-	-	-	-
Grant Wakefield	-	-	-	-	-	-
Simon Armstrong-Bunker	13	13	11	12	-	-
		Full Board Attended		Full Board Held		
David V Mitchell		12		12		
John M Whitelock		8		12		
Tim Valtwies		12		12		
Bruce Moore		12		12		
Kim Henley		11		12		
Grant Wakefield		11		12		
Simon Armstrong-Bunker		11		12		

Held: represents the number of meetings held during the time the director held office.

Contributions on winding up

The club is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the club is wound up, the constitution states that each member is required to contribute a maximum of \$5 each towards meeting any outstanding obligations of the club. At 30 June 2022, the total amount members of the club are liable to contribute if the club is wound up is \$41,890 (2021: \$41,435).


Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Drummoyne Sailing Club Limited
Directors' report
30 June 2022

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors


David V Mitchell
President
29/9/22 2022

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF DRUMMOYNE SAILING CLUB LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been:

- No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- No contraventions of any applicable code of professional conduct in relation to the audit.



William Buck
Accountants and Advisors
ABN 16 021 300 521



Domenic Molluso
Partner

Sydney, 29 September 2022

Drummoyne Sailing Club Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue			
Revenue	4	4,345,805	5,401,107
Government stimulus		183,396	226,500
Expenses			
Cost of goods sold		(681,392)	(831,093)
Direct costs attributable to trading revenue		(1,110,421)	(1,379,310)
Administrative and members expenses		(2,064,320)	(2,183,258)
Depreciation and amortisation expense	5	(438,151)	(418,063)
Finance costs		(517)	-
Surplus before income tax expense		234,400	815,883
Income tax expense		-	-
Surplus after income tax expense for the year attributable to the members of Drummoyne Sailing Club Limited		234,400	815,883
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of Drummoyne Sailing Club Limited		234,400	815,883

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Drummoyne Sailing Club Limited
Statement of financial position
As at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	6	2,006,591	1,854,276
Trade and other receivables	7	133,452	62,572
Inventories	8	109,186	89,828
Prepayments		92,313	111,656
Total current assets		<u>2,341,542</u>	<u>2,118,332</u>
Non-current assets			
Property, plant and equipment	9	3,736,634	3,620,813
Intangibles	10	2,177	5,869
Total non-current assets		<u>3,738,811</u>	<u>3,626,682</u>
Total assets		<u>6,080,353</u>	<u>5,745,014</u>
Liabilities			
Current liabilities			
Trade and other payables	11	592,675	518,105
Provisions	12	77,227	97,630
Deferred income	13	60,055	32,942
Total current liabilities		<u>729,957</u>	<u>648,677</u>
Non-current liabilities			
Provisions	15	23,514	17,592
Deferred income	16	65,381	51,644
Total non-current liabilities		<u>88,895</u>	<u>69,236</u>
Total liabilities		<u>818,852</u>	<u>717,913</u>
Net assets		<u>5,261,501</u>	<u>5,027,101</u>
Equity			
Reserves	17	53,298	45,708
Retained surpluses		<u>5,208,203</u>	<u>4,981,393</u>
Total equity		<u>5,261,501</u>	<u>5,027,101</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Drummoyne Sailing Club Limited
Statement of changes in equity
For the year ended 30 June 2022

	Support Vessel Reserve \$	Retained Surpluses \$	Total equity \$
Balance at 1 July 2020	40,302	4,170,916	4,211,218
Surplus after income tax expense for the year	-	815,883	815,883
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	815,883	815,883
Transfer to support vessel reserve	14,764	(14,764)	-
Support vessel reserve funds used	(9,358)	9,358	-
Balance at 30 June 2021	<u>45,708</u>	<u>4,981,393</u>	<u>5,027,101</u>
	Support Vessel Reserve \$	Retained Surpluses \$	Total equity \$
Balance at 1 July 2021	45,708	4,981,393	5,027,101
Surplus after income tax expense for the year	-	234,400	234,400
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	234,400	234,400
Transfer to support vessel reserve	7,590	(7,590)	-
Support vessel reserve funds used	-	-	-
Balance at 30 June 2022	<u>53,298</u>	<u>5,208,203</u>	<u>5,261,501</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Drummoyne Sailing Club Limited
Statement of cash flows
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		4,728,630	5,792,586
Receipts from Government stimulus packages		183,396	327,750
Payments to suppliers and employees (inclusive of GST)		<u>(4,220,946)</u>	<u>(4,661,366)</u>
		691,080	1,458,970
Interest received		13,569	11,011
Interest and other finance costs paid		<u>(517)</u>	<u>-</u>
Net cash from operating activities		<u>704,132</u>	<u>1,469,981</u>
Cash flows from investing activities			
Payments for property, plant and equipment	9	<u>(558,617)</u>	<u>(441,673)</u>
Net cash used in investing activities		<u>(558,617)</u>	<u>(441,673)</u>
Cash flows from financing activities			
Sailing advance (net)		<u>6,800</u>	<u>2,540</u>
Net cash from financing activities		<u>6,800</u>	<u>2,540</u>
Net increase in cash and cash equivalents		152,315	1,030,848
Cash and cash equivalents at the beginning of the financial year		<u>1,854,276</u>	<u>823,428</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>2,006,591</u></u>	<u><u>1,854,276</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Drummoyne Sailing Club Limited
Notes to the financial statements
30 June 2022

Note 1. General information

The financial statements cover Drummoyne Sailing Club Limited as an individual entity. The financial statements are presented in Australian dollars, which is Drummoyne Sailing Club Limited's functional and presentation currency.

Drummoyne Sailing Club Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

2 St Georges Crescent,
Drummoyne NSW 2047

A description of the nature of the club's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 September 2022. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The club has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the club.

The following Accounting Standards and Interpretations are most relevant to the club:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The club has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the club's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for Not-for-Profit Tier 2 Entities

The club has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the club's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Note 2. Significant accounting policies (continued)

Revenue recognition

The club recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the club is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the club: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue from the sale of goods is recognised upon the delivery of goods to members and visitors.

Rendering of services

Revenue from the rendering of services is recognised upon the delivery of the service to members and visitors.

Licence income

Licence revenue is recognised in accordance with the terms and conditions outlined in the underlying licence agreements for the bistro and restaurant.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Government stimulus

Government stimulus is recognised when it is received or when the right to receive payment is established.

Income tax

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

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the club's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the club's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Note 2. Significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The club has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories

Finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Property, plant and equipment

Land and buildings is stated at historical cost less accumulated depreciation and impairment. Plant and equipment is stated at historical cost less accumulated depreciation and impairment.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	10-40 years
Plant and equipment	3-10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Plant and equipment under lease are depreciated over the estimated useful life of the assets.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the club. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained surpluses.

Intangible assets

Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Website

Significant costs associated with the development of the revenue generating aspects of the website, including the capacity of placing orders, are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Note 2. Significant accounting policies (continued)

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the club prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at 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 corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Comparative Amounts

Comparatives have been adjusted to conform with changes in presentation for the current year.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

Note 3. Critical 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, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The club determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 4. Revenue

	2022 \$	2021 \$
Bar sales - clubhouse	1,559,820	2,034,731
Poker machine net clearances	1,769,849	2,323,183
Sub club revenue	66,738	13,135
Bar sales - restaurant	180,588	214,406
Licence fees - restaurant	109,415	137,288
Keno and TAB commission	33,514	47,342
Licence fees and cost recoveries - bistro	165,249	145,611
Functions	78,353	24,755
Member subscriptions	99,755	98,573
Boat storage and mooring	43,615	46,277
Sailing donations/sponsorships	16,465	26,775
ATM commission	15,128	26,167
GST subsidy	17,180	17,180
Sundry income	39,952	10,300
Interest received	13,569	11,011
Sailing academy income	43,282	74,870
Support vessel levy income	7,590	14,764
Sailing member levy income	14,578	24,096
Raffles income	71,165	110,643
	<u>4,345,805</u>	<u>5,401,107</u>

Drummoyne Sailing Club Limited
Notes to the financial statements
30 June 2022

Note 5. Expenses

	2022	2021
	\$	\$
Surplus before income tax includes the following specific expenses:		
<i>Depreciation and amortisation</i>		
Building	198,600	207,737
Plant and equipment	235,859	206,634
Website	3,692	3,692
	<hr/>	<hr/>
Total depreciation and amortisation expense	438,151	418,063
<i>Other operating expenses</i>		
Auditor's remuneration - audit services	23,100	22,000
Rental expense on operating lease	2,280	2,280
Superannuation	139,868	142,986
Sub club expense	69,325	24,950
	<hr/>	<hr/>
	234,573	192,216
	<hr/>	<hr/>

Note 6. Current assets - cash and cash equivalents

	2022	2021
	\$	\$
Cash on hand	125,865	63,319
Cash at bank	1,785,514	1,714,705
Cash at bank - sub clubs	95,212	76,252
	<hr/>	<hr/>
	2,006,591	1,854,276
	<hr/> <hr/>	<hr/> <hr/>

Note 7. Current assets - trade and other receivables

	2022	2021
	\$	\$
Trade receivables	111,476	53,672
Other receivables	21,976	8,900
	<hr/>	<hr/>
	133,452	62,572
	<hr/> <hr/>	<hr/> <hr/>

Note 8. Current assets - inventories

	2022	2021
	\$	\$
Finished goods - at cost	109,186	89,828
	<hr/> <hr/>	<hr/> <hr/>

Drummoyne Sailing Club Limited
Notes to the financial statements
30 June 2022

Note 9. Non-current assets - property, plant and equipment

	2022 \$	2021 \$
Land - at cost	313,000	313,000
Buildings - at cost	5,720,557	5,720,557
Less: Accumulated depreciation	<u>(3,503,764)</u>	<u>(3,305,164)</u>
	2,216,793	2,415,393
Plant and equipment - at cost	3,400,743	2,989,956
Less: Accumulated depreciation	<u>(2,201,402)</u>	<u>(2,107,268)</u>
	1,199,341	882,688
Capital work in progress	7,500	9,732
	<u><u>3,736,634</u></u>	<u><u>3,620,813</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land \$	Building \$	Plant and Equipment \$	Capital Work In Progress \$	Total \$
Balance at 1 July 2021	313,000	2,415,393	882,688	9,732	3,620,813
Additions	-	-	483,808	74,809	558,617
Disposal	-	-	(8,337)	-	(8,337)
Transfers in/(out)	-	-	77,041	(77,041)	-
Depreciation expense	-	(198,600)	(235,859)	-	(434,459)
Balance at 30 June 2022	<u><u>313,000</u></u>	<u><u>2,216,793</u></u>	<u><u>1,199,341</u></u>	<u><u>7,500</u></u>	<u><u>3,736,634</u></u>

Current value of land and buildings

The club's land and building were last valued on 3 March 2020 at \$15,700,000. The valuation was based on independent assessments by a member of Global Valuation Services. The increment in both the land and buildings has not been included in these accounts as the club has adopted the cost model.

Note 10. Non-current assets - intangibles

	2022 \$	2021 \$
Website - at cost	18,460	18,460
Less: Accumulated amortisation	<u>(16,283)</u>	<u>(12,591)</u>
	<u><u>2,177</u></u>	<u><u>5,869</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Website \$	Total \$
Balance at 1 July 2021	5,869	5,869
Amortisation expense	<u>(3,692)</u>	<u>(3,692)</u>
Balance at 30 June 2022	<u><u>2,177</u></u>	<u><u>2,177</u></u>

Note 11. Current liabilities - trade and other payables

	2022	2021
	\$	\$
Trade payables	180,628	233,973
Sundry payables and accrued expense	412,047	284,132
	<u>592,675</u>	<u>518,105</u>

Note 12. Current liabilities - provisions

	2022	2021
	\$	\$
Annual leave	66,988	80,074
Long service leave	10,239	17,556
	<u>77,227</u>	<u>97,630</u>

Note 13. Current liabilities - deferred income

	2022	2021
	\$	\$
Membership fees received in advance	46,855	32,942
Licence fee in advance	13,200	-
	<u>60,055</u>	<u>32,942</u>

Note 14. Non-current liabilities - borrowings

Assets pledged as security

The club has a Line of Credit facility with a limit of \$500,000 which \$nil has been used at year end. (2021: \$nil used). The Line of Credit facility is secured by a first registered mortgage over real property located at 2-4 St Georges Crescent Drummoyne NSW 2047 and a first registered equitable mortgage over the whole of the club's assets and undertakings.

Note 15. Non-current liabilities - provisions

	2022	2021
	\$	\$
Long service leave	<u>23,514</u>	<u>17,592</u>

Note 16. Non-current liabilities - deferred income

	2022	2021
	\$	\$
Membership fees received in advance	<u>65,381</u>	<u>51,644</u>

Note 17. Equity - reserves

	2022 \$	2021 \$
Support vessel reserve	<u>53,298</u>	<u>45,708</u>

Support vessel reserve

The reserve is used to recognise retained surpluses set aside for the acquisition of support vessels.

Note 18. Key management personnel disclosures

Compensation

The aggregate compensation made to members of key management personnel of the club is set out below:

	2022 \$	2021 \$
Aggregate compensation	<u>515,478</u>	<u>430,250</u>

The directors of the club and several senior staff members are deemed to be key management personnel. The directors do not receive compensation for performing their duties.

During the year total director related expenses paid by the club amounted to \$5,417 (2021: \$5,900) comprising of meals: \$4,594, industry membership subscriptions: \$823.

Note 19. Commitments

Capital Commitment

A capital commitment of approximately \$50,000 exists at 30 June 2022 for the preparation of a master plan of development over the Clubs property at 2 St George's Cres Drummoyne (June 2021 \$130,000).

	2022 \$	2021 \$
<i>Lease commitments - operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	2,220	2,280
One to five years	<u>1,770</u>	<u>3,990</u>
	<u>3,990</u>	<u>6,270</u>

Note 20. Related party transactions

Parent entity

Drummoyne Sailing Club Limited is the parent entity.

Key management personnel

Disclosures relating to key management personnel are set out in note 18.

Transactions with related parties

Bruce Moore received \$3,150 (2021: \$3,925) in prize money from participating in 16ft Skiff sailing on the same terms and conditions as other competitors during the year.

There were no other transactions with related parties during the current or previous financial year.

Note 21. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the club's operations, the results of those operations, or the club's state of affairs in future financial years.

Drummoyne Sailing Club Limited
Directors' declaration
30 June 2022

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the club's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the club will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



David V Mitchell
President

29/9/22 2022

Drummoyne Sailing Club Limited

Independent auditor's report to members

Report on the Audit of the Financial Statements

Opinion

We have audited the financial report of Drummoyne Sailing Club Limited (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) 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 then ended; and
- (ii) Complying with Australian Accounting Standards - Simplified Disclosures 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.

Other Information

The directors are responsible for the other information. The other information obtained as at the date of this report comprises the information included in the Company's directors' report for the year ended 30 June 2022 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures 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 ability of the Company to continue as a going concern, disclosing, as applicable, matters related 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 has 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.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our independent auditor's report.



William Buck
Accountants and Advisors
ABN 16 021 300 521



Domenic Molluso
Partner

Sydney, 29 September 2022

Drummoyne Sailing Club Limited

Disclaimer
30 June 2022

The additional financial data presented in the following pages is in accordance with the books and records of the Drummoyne Sailing Club Limited which have been subjected to the auditing procedures applied in our statutory audit of the entity for the year ended 30 June 2022. It will be appreciated that our statutory audit did not cover all details of the additional financial data. The commentary in the following pages has not been subjected to audit procedures during our statutory audit of the entity for the year ended 30 June 2022.

Accordingly, we do not express an opinion on the information in the following pages and we give no warranty of accuracy or reliability in respect of the information provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Drummoyne Sailing Club Limited) in respect of such information, including any errors or omissions therein however caused.



William Buck
Accountants and Advisors
ABN 16 021 300 521



Domenic Molluso
Partner

Sydney, 29 September 2022

Drummoyne Sailing Club Ltd
ABN 19 000 895 705
Profit and Loss Statement

30 June 2022

	2022	2021
	\$	\$
Income		
Net Trading Profit/(Loss)		
- Bar	628,301	923,263
- Poker machine takings	1,194,201	1,624,340
- Keno and TAB	(8,446)	(33,498)
- Sailing activities	(26,968)	(33,253)
- Bingo	-	-
Functions	78,353	24,755
Membership Fees	99,755	98,573
Licence fee - restaurant	109,415	137,288
Licence fee and cost recoveries - bistro	165,249	145,611
GST Subsidy	17,180	17,180
ATM Commission	15,128	26,167
Interest Received	13,569	11,011
Sundry income	39,952	10,300
Raffles income	71,165	110,643
Government stimulus	183,396	226,500
	2,580,250	3,288,880
Less Expenses		
Accountancy fees	33,156	34,474
Advertising	27,193	9,076
AGM and Annual Report	1,163	1,583
Asset write off	-	-
Audit fees	23,100	22,000
Badge draw	12,250	17,750
Bank and ATM charges	23,501	35,104
Consultancy fees	17,370	5,395
Contract cleaning	75,145	90,600
Courtesy bus	16,371	15,139
Depreciation - buildings	198,600	207,737
Depreciation - plant and equipment	129,172	101,273
Depreciation - website	3,692	3,692
Directors' meeting expenses	4,417	5,900
Donations	8,439	7,049
Electricity and gas	92,875	106,029
Entertainment - bands and artists	8,710	3,664
Function expenses	46,552	6,464
General expenses	50,049	32,971
Insurance	134,946	134,221
Interest	517	-
Lease charges	-	-

This Statement should be read in conjunction with the attached Disclaimer.

Drummoyne Sailing Club Ltd
ABN 19 000 895 705
Profit and Loss Statement

30 June 2022

	2022	2021
	\$	\$
(continued)		
Legal fees	28,577	4,308
Licenses and registrations	3,568	1,837
Loss on sale of P&E	6,817	-
Members' entertainment	82,617	89,716
Members' expenses	30,550	63,081
Payroll tax	3,601	26,714
Postage, printing, stationery, computer	48,564	57,035
Raffles	101,964	131,382
Rates - council	12,669	12,396
Rates - water	16,929	14,619
Repairs and maintenance	86,410	85,726
Security	35,006	37,106
Staff amenities	18,825	14,625
Staff training	18,850	11,438
Subscriptions	17,729	26,190
Superannuation	139,868	142,986
Telephone	7,763	8,734
Wages - administration and supervisors	622,309	651,644
Wages - reception	105,601	208,757
Wages - employee entitlements	(14,482)	(25,217)
Wages - functions	27,995	17,437
Waste disposal and recycling	36,902	52,362
	<u>2,345,850</u>	<u>2,472,997</u>
Profit Before Income Tax	<u>234,400</u>	<u>815,883</u>

This Statement should be read in conjunction with the attached Disclaimer.

Drummoyne Sailing Club Ltd
ABN 19 000 895 705
Profit and Loss Statement

30 June 2022

	2022	2021
	\$	\$
Bar Trading Statement		
<i>Income</i>		
Bar sales - clubhouse	1,559,820	2,034,731
Bar sales - restaurant	180,588	214,406
	<u>1,740,408</u>	<u>2,249,137</u>
<i>Less cost of sales</i>		
Opening stock	89,828	64,641
Bar purchases	700,750	856,280
Closing stock	(109,186)	(89,828)
	<u>681,392</u>	<u>831,093</u>
Gross Profit	<u>1,059,016</u>	<u>1,418,044</u>
Gross profit % of sales	61%	63%
<i>Less Expenses</i>		
Bar snacks and Supplies	35,704	38,404
Labour hire - restaurant	(51,101)	(67,206)
Glasses and requisites	5,204	8,371
Wages & salaries	440,908	515,212
	<u>430,715</u>	<u>494,781</u>
Total Expenses		
	<u>430,715</u>	<u>494,781</u>
Net Profit from Bar Trading	<u>628,301</u>	<u>923,263</u>

Poker Machine Trading Statement

Net Clearances	1,769,849	2,323,183
<i>Less Expenses</i>		
Depreciation	106,687	105,361
Duty	264,814	363,267
Poker machine maintenance and analysis	54,610	83,069
Promotions	7,833	2,408
Repairs and maintenance	19,236	25,276
Wages	122,468	119,462
Total Expenses	<u>575,648</u>	<u>698,843</u>
Net Profit from Poker Machines	<u>1,194,201</u>	<u>1,624,340</u>

This Statement should be read in conjunction with the attached Disclaimer.

Drummoyne Sailing Club Ltd
ABN 19 000 895 705
Profit and Loss Statement

30 June 2022

	2022	2021
	\$	\$
Keno and TAB operations		
<i>Income</i>		
Commissions	33,514	47,342
<i>Less Expenses</i>		
Maintenance	1,886	3,381
Printing, stationery and sundries	6,041	10,055
Promotions	3,359	3,000
Wages	30,674	64,404
Total Expenses	41,960	80,840
Net (Loss) / Profit from Keno and TAB	(8,446)	(33,498)

Sailing Activities

<i>Income</i>		
Boat storage and mooring	43,615	46,277
Sailing academy income	43,282	74,870
Sailing donations and sponsorships	16,465	26,775
Support vessel income	7,590	14,764
Sailing member levy	14,578	24,096
Sub club revenue	66,738	13,135
Total Income	192,268	199,917
<i>Less expenses</i>		
Sailing Australia affiliation fee	15,545	6,254
Boat registration & insurance	42,210	45,067
Bouy rent	2,672	131
Fuel	3,050	2,929
Operational	21,731	20,420
Prize money, trophies and presentation nights	9,080	19,500
Repairs & Maintenance	11,113	19,078
Sailing academy expenses	36,585	88,749
Sub club expenses	69,325	24,950
Sundries	7,925	6,092
Total Expenses	219,236	233,170
Net Loss from Sailing Activities	(26,968)	(33,253)

This Statement should be read in conjunction with the attached Disclaimer.