

ROYAL PRINCE EDWARD YACHT CLUB

ABN: 12 000 900 069

Financial Report For The Year Ended
30 June 2022



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Financial Report For The Year Ended 30 June 2022

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Your Committee is pleased to make the following report in relation to the past year's activities and the present position of the Club.

MEMBERSHIP ROLL	JUNE 2022	JUNE 2021
General	429	418
Associate	1	3
Country (General)	25	22
Intermediate (General - 18 to under 30 years)	16	11
Long Service (General)	61	64
Long Service (Associate)	6	1
Long Service (General) (1996)	4	6
Long Service (Associate) (1996)	2	0
Long Service (Country-General)	0	6
Long Service (Country-Associate)	0	1
Long Service (Country-General)(1996)	0	2
Life	2	2
SUBTOTAL: Members	<u>546</u>	<u>536</u>
Overseas (General)	18	20
Overseas (Associate)	1	2
Overseas (Junior)	0	1
Overseas (Intermediate)	1	0
Interstate (General)	6	6
Interstate (Country-General)	1	0
Long Service (Interstate-General)	0	4
Long Service (Interstate-Associate)	4	0
Long Service (Overseas-General)	3	3
SUBTOTAL: Other	<u>34</u>	<u>36</u>
TOTAL: All Categories	<u><u>580</u></u>	<u><u>572</u></u>

OBITUARIES

It is with deep regret that we record the passing of Robyn Berkeley and Jan Gowrie Smith. Our sympathies are extended to their families.

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GENERAL COMMITTEE MEETINGS

The attendances for the thirteen Committee meetings were:

	Eligible to attend	Attendances	Apologies	Leave of Absence
Adrian Broadbent	13	13		
Caroline Crane	13	11	2	
Max Sheaffe	13	13		
Tony Booth	13	12	1	
Andrew Sissian	13	11	2	
David Chrystal	13	11	2	
Ashley Wawn	13	10	3	
Sven Runow	13	12	1	
Mark Steglick	13	11	2	

FLAG OFFICERS AND BOARD REPORT 2021-22

The Flag Officers and Board of your Club have the pleasure in submitting this ninety-ninth Annual Report for the consideration of Members

COMMODORE'S REPORT - ADRIAN BROADBENT

Our AGM last year was held online as we were still under COVID restrictions, so it is pleasing that we will be able to meet in person this year. We finally got the Club open again and sailing in mid-October 2021 and have been busy ever since.

This is now my final report as Commodore; I sincerely thank all our Board and Committee members for the huge amount work they have put in to manage the Club through the various COVID restrictions and then to ramp up for our Centenary celebrations.

Financial Position

As you will see from the financial statements published in this Annual Report, the Club has again completed the year with a positive result. We continue to maintain confidence in the Club's overall financial position. Thank you to our Honorary Treasurer, Max Sheaffe for his diligent management of "the books".

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Governance

In November 2021 we appointed an Operations Manager, Vlad Milevski, to support the Board to manage the Club operations, with a focus on regulatory compliance and safety of members, guests and staff.

The regular Club Commodore meetings of all the Sydney Yacht Clubs and Australian Sailing have continued to provide a useful forum for sharing ideas and ensuring a consistent approach to the issues we face.

Sailing Activities

The races early in the season had to be abandoned due to ongoing COVID restrictions and started up in mid-November. Our Wednesday Series was as popular as ever, attracting fleets of more than 50 boats each week; the Sunday Series provided a great opportunity for family sailing; and our Women On Water event was held in ideal conditions of a steady southerly breeze.

The Rear Commodore's Report below provides further detail on our sailing activities.

Club Facilities

In recent weeks we signed the contracts for the construction of our new ramp and pontoon, which are planned to be completed by the Centenary Regatta on the 16th November. At this stage we are confident the date can be achieved.

This new pontoon will greatly improve the safety of members and guests moving on and off their boats, and will permit boats to sit alongside during daylight hours. This is hoped to encourage sailors to return to the Club after racing and encourage members to use water transport to visit the Club. No more fingers caught in the old pylons, nor dangerous footing on the pontoon, more space for boats to manoeuvre safely and for members and guests to access the Club.

House Activities

The reopening of the Club last October from the COVID lockdown challenged our catering staff, but they performed well to meet the increased workload. The benefits of working with the Trippas White Group were again demonstrated as they drew on their wide resources to keep our services operating. Early in 2022 we welcomed Sarah Davies as Catering Manager and Morris Baco as Chef.

The Vice Commodore's report below provides greater detail on the House and Centenary activities.

Closing

I wish to thank not only the members of the Board for their support and work once again for an unusual year, but also the membership for their patience during the closure of the Club. A particular thank you to all the members who volunteer their time to keep our sailing and house activities working for all our benefit.

I would also like to thank Sue Barker, our Club Secretary, Vlad Milevski, our new Operations Manager and our past Commodores who have all provided me with guidance and advice during my time as Commodore.

Adrian Broadbent
Commodore, RPEYC

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VICE COMMODORE'S REPORT - CAROLINE CRANE

It is with pleasure that I provide my report in this Centenary Year and congratulate the Club on accomplishing 100 years.

As many covid regulations are behind us, the members, Board and staff have moved forward at the Club with positive enthusiasm and commitment. Bookings for lunches, club and member events are at an all-time high. The renovations are now 2 years old and yet look as good as new despite the heavy demands put upon them. The choices of certain materials and fabrics have proven their worth and the future of the building is safe and sound.

I would especially like to thank Sarah Davies, our Club's Catering and Beverage manager, for her efficient, professional yet friendly competence running the Trippas White staff and looking after you, the members. How fortunate we are to have such a lovely person at our Club.

Many thanks go to Jamie, the Club's diligent cleaner who has tried to keep us safe with his constant sanitising inside the Club during these challenging times.

Having our first Operations Manager at the Club has proven most effective. Vlad has been a great asset to the general maintenance, care and security of Club facilities. He also assists the Wednesday sailors by providing a tender service ferrying the crews back and forth. Vlad helps all members feel welcome and trespassers less so. With the beach being advertised in magazines and newspapers, the number of beachgoers has massively increased over the last few years and there are no facilities. The beach goers also affect the parking for which the Club sadly often gets the blame.

The big excitement of the Club is turning 100 this year. On August 4th, 100 years to the day, we celebrated in appropriate style with a members-only evening of speeches, Champagne toasts, Centenary cake cutting and fireworks. His Royal Highness, Prince Edward sent a personal letter of congratulations, read out by his representative in Australia, Peter Kaye AM, OES.

On September 18, Club members celebrated the Centenary with partners and friends at the Royal Sydney Golf Club. The 250 beautifully dressed guests in their 1920's outfits enjoyed an 8-piece band and magnificent sit-down lunch.

November 16 will be the Sail Past of dressed boats and the Centenary Sailing Regatta for all members with boats and their crews and the club will welcome all other yacht clubs to compete for the RPEYC Centenary Cup, kindly donated by member Neville Chrichton.

December 4 will be the children's turn to celebrate with a family day, starting with the traditional young Children's Christmas party where Santa arrives by boat followed by a BBQ for all families. Members can then all get together to cheer the year away at the Club's annual Christmas Cocktail Party on December 8th after the elves have brought the Christmas Tree on the 7th.

All the events of this year were so successful thanks to the amazing Trippas White team and thanks to my team of talented and enthusiastic members who volunteer their time for the benefit of the Club and its members. I thank Stephen Wawn and Terry Mathews for their continuous wise counsel and I sincerely thank the following members for their caring and invaluable help during the past year.

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Centenary Committee:

Vice Commodore Caroline Crane (Head)
Board member Ashley Wawn, Sarah Vick, Fiona Sinclair King, Georgia Curran,
Commodore Adrian Broadbent,
Board member David Chrystal, Les Owen, Brendan Lyons

Wishing you and your families a safe and happy summer and I look forward to seeing you on the water or at the Club.

Yours faithfully,

Caroline Crane
Vice Commodore, RPEYC

REAR COMMODORE'S REPORT - ANTHONY BOOTH

Once again, the Rear Commodore had responsibility for Sailing Activities and chaired the Sailing Committee. The first few races of the summer season were affected by Covid 19 however after that the programme ran normally.

Many thanks to the Sailing Committee comprising the Commodore, Terry Matthews, Andrew Strange, Evan Lewis and Sven Runow. Together with myself as Chairman we did our utmost to provide Sailing Activities to members. The Edwards for a club of this size certainly punches above its weight.

The RPEYC provided the race team for numerous races in the RSYS Summer Series. The Combined Clubs Winter Series commenced in April and the Edwards played a major part in participating and organising Race Support.

The Club organised the Sailors Forum in April which was well attended and resulted in a number of good ideas. We also held the Prizegiving for the previous season at the Club. We are grateful for the new renovated facilities at the Club which adds to the ambience of the club after sailing events.

For their service to our club, we thank the race management team of volunteers led by Terry Matthews, who ran the RPEYC races for the Saturday series, our own Sunday Series, Women On Water and the Thistle Cup for Couta Boats. The Wednesday afternoon race team led by Andrew Strange and Cheryl Yarrow ran the summer series which is one of the most popular series on the Harbour. We look forward to the Centenary Regatta on 16 November 2022, generously sponsored by Renault Australia.

Finally, a special thank you to all our race management and Sunday BBQ Volunteers, facility maintenance team and members of the Sailing Committee. Without them, we would not be able to continue to further our objectives in the promotion and conduct of sailing on Sydney Harbour.

I am grateful to serve as the Rear Commodore of the Club.

Anthony H Booth
Rear Commodore, RPEYC

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REPORT BY THE DIRECTORS OF THE CLUB

In accordance with a resolution of the Directors, the following report is made with respect of the results of the Club for the financial year ended 30 June 2022 and the state of the Club's affairs as at that date.

Directors

The names of each person who has been a director during the year and to the date of this report are:

A BROADBENT appointed (26/11/2012)
 C CRANE appointed (20/10/2014)
 A BOOTH appointed (20/10/2014)
 M SHEAFFE appointed (26/11/2012)
 M STEGLICK appointed (21/10/2019)
 D CRYSTAL appointed (23/11/2020)
 A WAWN appointed (23/11/2020)
 A SISSIAN appointed (18/10/2021)
 S RUNOW appointed (18/10/2021)
 M PAULL resigned (18/10/2021)
 B LYONS resigned (18/10/2021)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activities of the Club are those of encouraging yachting activities and there was no significant change in the nature of those activities during the financial year.

Trading results

The total comprehensive surplus of the Club for the financial year was \$153,252 (2021: loss \$313,301). No provision for income tax was required.

Dividends

There will not be any dividend declared or paid to the members. Any surplus of the Club shall be applied solely towards the promotion of the objects of the Club.

Review of operations	2022	2021
Operating revenue for the year	\$117,041	\$306,661
Total comprehensive income (loss)	\$153,252	(\$313,301)
Revenue from trading areas	\$692,839	\$779,515
Future Development Fund & Wharf Donations	\$36,211	\$256,198
Members subscriptions	\$530,197	\$513,813
Development levy	\$85,965	\$85,020
Members' entrance fees	\$74,027	\$83,001
Other income	\$51,396	\$46,667
Bar trading - profit	\$101,639	\$149,268
Catering - (loss)	(\$254,993)	(\$189,659)
Sailing - profit	\$5,002	\$16,351
Administration expenses	\$426,694	\$354,764

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Events subsequent to balance date

The impact of the Coronavirus (Covid 19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation will be dependent on measures imposed by the Australian Government and other countries.

Since the end of the financial year the Club has entered into two contracts, with third parties, for \$389,754 (excl of GST), for the repair and modification of the Club's wharf and pontoon. The works are expected to be completed during the remainder of 2022.

At the date of this report, there was no other matter of circumstance which had arisen since 30 June 2022 that has significantly affected or may significantly affect:

- (i) the operations of the Club;
- (ii) the results of those operations; or
- (iii) the state of affairs of the Club, in financial years subsequent to 30 June 2022.

Likely development in the operation of the club

There are no likely developments which would affect the operations of the Club subsequent to the end of the financial year.

Directors' benefits

Since the end of the previous financial year no Director of the Club has received or has 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, or the fixed salary as a full time employee of the Club or of a related corporation or normal professional fees received by a corporation of which a Director has an interest by reason of a contract made by the Club or related corporation with the Director or with a firm of which they are a member, or with a company in which they have substantial financial interest other than in the normal course of business.

Information on Directors

A BROADBENT	—	Commodore
Qualifications	—	Naval Architect
C CRANE	—	Vice Commodore
Qualifications	—	Professional Photographer & Event Manager
A BOOTH	—	Rear Commodore
Qualifications	—	Solicitor
M SHEAFFE	—	Honorary Treasurer
Qualifications	—	Chartered Accountant
M STEGLICK	—	Director
Qualifications	—	Company Director

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D CHRYSTAL	—	Director
Qualifications	—	Company Director
A WAWN	—	Director
Qualifications	—	Creative Project Director
A SISSIAN	—	Director
Qualifications	—	Company Director
S RUNOW	—	Director
Qualifications	—	Marine Surveyor

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2022 has been received and can be found on page 9 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.



Director: A BROADBENT
Commodore



Director: M SHEAFFE
Honorary Treasurer

Dated this 6th day of October 2022

ROYAL PRINCE EDWARD YACHT CLUB
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AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF
THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF
ROYAL PRINCE EDWARD YACHT CLUB

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit;
and
- (ii) any applicable code of professional conduct in relation to the audit.

Moyes Yong & Co Partnership
Chartered Accountants



Partner: William M Moyes

Suite 1301, Level 13
115 Pitt Street
Sydney NSW 2000

6 October 2022

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STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE
YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Operating revenue	2	1,434,424	1,508,016
Bar trading expenses		(225,149)	(222,149)
Catering expenses		(550,444)	(528,142)
Sailing expenses		(65,598)	(53,264)
Administration expenses		(426,694)	(354,764)
Depreciation		(49,498)	(43,036)
Total expenditure		<u>(1,317,383)</u>	<u>(1,201,355)</u>
Total operating profit for the year		<u>117,041</u>	<u>306,661</u>
Other comprehensive income for the year			
Future Development Fund donations	2	36,211	256,198
Buildings renovations		-	(876,160)
Total other comprehensive income / (loss) for the year		<u>36,211</u>	<u>(619,962)</u>
Total comprehensive income / (loss) attributable to members of the entity		<u>153,252</u>	<u>(313,301)</u>
General fund at the beginning of the financial year		2,840,243	1,833,525
Revaluation reserve		-	8,284,708
Transfers to Reserve		-	(8,284,708)
Transfers from (to) development fund		(85,965)	177,280
Transfers from (to) future development fund		(36,211)	1,142,739
General fund at the end of the financial year		<u>2,871,319</u>	<u>2,840,243</u>

The accompanying notes form part of these financial statements.

STATEMENT OF TRADING PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Bar & Catering trading			
Revenue	2	622,239	709,900
Cost of goods sold		(318,861)	(342,260)
Gross profit		<u>303,378</u>	<u>367,640</u>
Gross margin		49%	52%
Expenses			
Labour costs		(405,140)	(360,923)
General expenses		(51,592)	(47,108)
		<u>(456,732)</u>	<u>(408,031)</u>
Bar & Catering trading loss		<u>(153,354)</u>	<u>(40,391)</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	2022	2021
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash on hand	3	385,416	246,939
Accounts receivable and other debtors	4	75,522	53,399
Inventories on hand	5	55,002	44,691
Other current assets	6	90,725	75,322
TOTAL CURRENT ASSETS		<u>606,665</u>	<u>420,351</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	29,943,696	29,942,480
TOTAL NON-CURRENT ASSETS		<u>29,943,696</u>	<u>29,942,480</u>
TOTAL ASSETS		<u>30,550,361</u>	<u>30,362,831</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	9	223,460	197,856
Employee provisions	10	33,374	24,700
TOTAL CURRENT LIABILITIES		<u>256,834</u>	<u>222,556</u>
NON-CURRENT LIABILITIES			
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>256,834</u>	<u>222,556</u>
NET ASSETS		<u>30,293,527</u>	<u>30,140,275</u>
EQUITY			
Development fund		170,985	85,020
Future development fund		38,301	2,090
Revaluation reserve		27,212,922	27,212,922
General fund		2,871,319	2,840,243
TOTAL EQUITY		<u>30,293,527</u>	<u>30,140,275</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	Development fund	Future development fund	Revaluation reserve	General fund	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2020	262,300	1,144,829	18,928,214	1,833,525	22,168,868
Comprehensive income					
Surplus for the year attributable to members of the entity					
Operating revenue	-	-	-	306,661	306,661
Total operating income attributable to members of the entity	-	-	-	306,661	306,661
Other comprehensive income	-	-	-	256,198	256,198
Building renovations	-	-	-	(876,160)	(876,160)
Total comprehensive income attributable to members of the entity	-	-	-	(313,301)	(313,301)
Other transfers					
Revaluation of property	-	-	8,284,708	-	8,284,708
Development funds	(177,280)	(1,142,739)	-	1,320,019	-
Total other transfers	(177,280)	(1,142,739)	8,284,708	1,320,019	8,284,708
Balance at 30 June 2021	85,020	2,090	27,212,922	2,840,243	30,140,275
Balance at 1 July 2021	85,020	2,090	27,212,922	2,840,243	30,140,275
Comprehensive income					
Surplus for the year attributable to members of the entity					
Operating revenue	-	-	-	117,041	117,041
Total operating income attributable to members of the entity	-	-	-	117,041	117,041
Other comprehensive income	-	-	-	36,211	36,211
Total comprehensive income attributable to members of the entity	-	-	-	153,252	153,252
Other transfers					
Development funds	85,965	36,211	-	(122,176)	-
Total other transfers	85,965	36,211	-	(122,176)	-
Balance at 30 June 2022	170,985	38,301	27,212,922	2,871,319	30,293,527

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022	2021
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from subscriptions, SA and development levy		612,438	595,887
Receipts from trading		716,607	771,134
Entrance fees		74,027	83,001
Sundry income		25,288	25,783
Future development fund donations		36,211	255,813
Payments and benefits to employees		(114,390)	(75,191)
Payment to suppliers		<u>(1,076,574)</u>	<u>(2,205,052)</u>
Net cash (used) in / generated from operating activities	13	<u>273,607</u>	<u>(548,625)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(135,130)	(1,310,311)
Interest received		<u>-</u>	<u>1,314</u>
Net cash used in investing activities		<u>(135,130)</u>	<u>(1,308,997)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash used in financing activities		<u>-</u>	<u>-</u>
Net (decreased) / increase in cash held		138,477	(1,857,622)
Cash on hand at beginning of the financial year		<u>246,939</u>	<u>2,104,561</u>
Cash on hand at end of the financial year	3	<u>385,416</u>	<u>246,939</u>

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures made by the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 6 October 2022 by the directors of the company.

Accounting Policies

(a) Revenue

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

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

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Royal Prince Edward Yacht Club receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position with a corresponding amount of income recognised in profit or loss.

Membership subscriptions are run from 1 July to 30 June.

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

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(b) Inventories

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost as at the date of acquisition.

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and any impairment losses.

Freehold Property

Freehold land and buildings are shown at their fair value based on periodic valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

Class of Fixed Asset	Depreciation Rate
Buildings	5-10%
Plant and equipment	5-20%
Furniture and fittings	10-20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(d) Leases

The company has adopted AASB 16 'Leases' from 1 July 2019. AASB 16 requires the recognition of a right-of-use asset and a corresponding lease liability at the commencement of all leases, except for short term leases and leases of low value assets.

When a contract is entered into, the company assesses whether the contract contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The company separates the lease and non-lease components of the contract and accounts for these separately. The company allocates the consideration in the contract to each component on the basis of their relative stand-alone prices. Leases as a lessee: right-of-use assets and lease liabilities are recognised at commencement date of the lease when the 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 using the straight-line method over the shorter of their useful life and the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and for impairment losses, assessed in accordance with the company's impairment policies.

Lease liabilities are initially measured at the present value of future lease payments, discounted using an incremental borrowing rate if the rate implicit in the lease cannot be readily determined. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. Lease payments are fixed payments or index-based variable payments incorporating company's expectations of extension options and do not include non-lease components of a contract. The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the right-of-use assets, with any excess recognised in the income statement. Short term leases (lease term of 12 month or less) and leases of low value assets are recognised as incurred as an expense in the income statement.

ROYAL PRINCE EDWARD YACHT CLUB
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

(e) Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- financial assets at amortised cost
- financial assets at fair value through profit or loss (FVPL)
- debt instruments at fair value through other comprehensive income (FVOCI)
- equity instruments at fair value through other comprehensive income (FVOCI)

Classifications are determined by both:

- The entity's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Impairment of financial assets

AASB 9's new impairment model use more forward looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. The application of the new impairment model depends on whether there has been a significant increase in credit risk.

Trade and other receivables and contract assets

The entity makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

All financial assets, except for those at fair value through profit or loss (FVPL) and equity investments at fair value through other comprehensive income (equity FVOCI), are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

(f) Impairment of Assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Employee Benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which is measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates approximating the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefit expense.

The company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least twelve months after the reporting date, in which case the obligations are presented as current liabilities.

ROYAL PRINCE EDWARD YACHT CLUB
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Retirement benefit obligations

All employees of the company receive defined contribution superannuation entitlements, for which the company pays the fixed superannuation guarantee contribution (at 30 June 2022 10% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position.

(h) Cash and Cash Equivalents

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

(i) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the 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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(j) Income Tax

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

(k) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of reporting period.

ROYAL PRINCE EDWARD YACHT CLUB
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

(l) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(m) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(n) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Estimates

Valuation of freehold land and buildings

At 30 June 2022 the directors reviewed the carrying value of the land and buildings, being the valuation assessed as at 30 June 2021. The directors determined the carrying value as stated in the financial statements is appropriate as the underlying market conditions remain robust and that no increment or decrement should be taken to the Statement of Comprehensive income.

Key Judgments

Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the company expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12 month period that follows (despite an informal company policy that requires annual leave to be used within 18 months), the Directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

(o) New Accounting Standards for Application in Current Period & Future Accounting Standards

Royal Prince Edward Yacht 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.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

ROYAL PRINCE EDWARD YACHT CLUB
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 2 Revenue and Other Income

	2022	2021
Operating activities of the entity	\$	\$
— Bar trading sales	326,788	371,417
— Development levy	85,965	85,020
— Members subscriptions	530,197	513,813
— Entrance fees	74,027	83,001
— Sailing activities	70,600	69,615
— Catering	295,451	338,483
— Investment income	-	929
— Government subsidies (Covid 19 related) and grants	16,000	17,500
— Other income	35,396	28,238
Total operating revenue	<u>1,434,424</u>	<u>1,508,016</u>
Other comprehensive income		
— Future development fund & wharf donations	36,211	255,813
— Future development fund - investment income	-	385
Total other comprehensive income	<u>36,211</u>	<u>256,198</u>
Total operating and other income	<u>1,470,635</u>	<u>1,764,214</u>
Transfers (to) development fund	(85,965)	(85,020)
Transfers (to) future development fund	<u>(36,211)</u>	<u>(256,198)</u>
Total operating and other income less transfers to development funds	<u>1,348,459</u>	<u>1,422,996</u>

Note 3 Cash on Hand

	2022	2021
	\$	\$
CURRENT		
Cash at bank - unrestricted	385,294	246,467
Cash float	122	472
Total cash and cash equivalents	<u>385,416</u>	<u>246,939</u>

ROYAL PRINCE EDWARD YACHT CLUB
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 4 Accounts Receivable and Other Debtors

	2022	2021
	\$	\$
CURRENT		
Accounts receivable	75,522	53,399
Total current accounts receivable and other debtors	<u>75,522</u>	<u>53,399</u>

Note 5 Inventories on Hand

	2022	2021
	\$	\$
CURRENT		
At cost		
Inventory	34,079	28,408
Miscellaneous merchandise	20,923	16,283
	<u>55,002</u>	<u>44,691</u>

Note 6 Other Current Assets

	2022	2021
	\$	\$
Accrued Income		
Prepayments	90,725	75,322
	<u>90,725</u>	<u>75,322</u>

Note 7 Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The total of each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to this financial report, are as follows:

	Note	2022	2021
		\$	\$
FINANCIAL ASSETS			
Cash on hand	3	385,416	246,939
Accounts receivable	4	75,522	53,399
Total financial assets		<u>460,938</u>	<u>300,338</u>
FINANCIAL LIABILITIES			
Financial liabilities as trade and other payables	9	223,460	197,856
Total financial liabilities		<u>223,460</u>	<u>197,856</u>

ROYAL PRINCE EDWARD YACHT CLUB
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 8 Property, Plant and Equipment

	2022 \$	2021 \$
LAND AND BUILDINGS		
Land and Buildings at Fair Value:		
— Directors valuation 2022	29,400,000	-
— Directors valuation 2021	-	29,400,000
Total land	<u>29,400,000</u>	<u>29,400,000</u>
Total land and buildings	<u>29,400,000</u>	<u>29,400,000</u>
PLANT AND EQUIPMENT		
Plant and equipment (at cost)	159,417	156,816
Capitalised jetty enhancement (at cost)	367,324	360,045
Less accumulated depreciation	(219,964)	(208,280)
Total plant and equipment	<u>306,777</u>	<u>308,581</u>
FURNITURE AND FITTINGS		
Furniture and fittings (at cost)	568,717	536,834
Less accumulated depreciation	(331,798)	(302,935)
Total furniture and fittings	<u>236,919</u>	<u>233,899</u>
Total plant and equipment	<u>543,696</u>	<u>542,480</u>
Total property, plant and equipment	<u>29,943,696</u>	<u>29,942,480</u>

Movements in Carrying Amounts

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

	Land and Buildings \$	Plant and Equipment \$	Furniture and Equipment \$	Total \$
2021				
Balance at the beginning of the year	20,081,112	140,037	169,349	20,390,498
Additions at cost	1,034,180	180,792	95,338	1,310,310
Revaluations	8,284,708	-	-	8,284,708
Depreciation expense	-	(12,248)	(30,788)	(43,036)
Carrying amount at end of year	<u>29,400,000</u>	<u>308,581</u>	<u>233,899</u>	<u>29,942,480</u>
2022				
Balance at the beginning of the year	29,400,000	308,581	233,899	29,942,480
Additions at cost	-	7,280	43,434	50,714
Depreciation expense	-	(13,318)	(36,180)	(49,498)
Carrying amount at end of year	<u>29,400,000</u>	<u>302,543</u>	<u>241,153</u>	<u>29,943,696</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Asset revaluations

At 30 June 2022 the directors have performed a directors' valuation on freehold land and building. The directors have assessed the value of the land and buildings to be the valuation as at 30 June 2021 plus net costs incurred since that date.

Note 9 Accounts Payable and Other Payables

	Note	2022 \$	2021 \$
CURRENT			
Accounts payable		223,460	197,856
	9(a)	223,460	197,856
		2022 \$	2021 \$
(a) Financial liabilities at amortised cost classified as trade and other payables			
Accounts payable and other payables			
— Total current		223,460	197,856
— Total non-current		-	-
		223,460	197,856
Less deferred income (members subscriptions in advance)		-	-
Financial liabilities as trade and other payables		223,460	197,856

The average credit period on accounts payable and other payables (excluding GST payable) is 30 days. No interest is payable on outstanding payables during this period.

Note 10 Employee Provisions

CURRENT			
Short-term Employee Benefits		2022 \$	2021 \$
Balance at the beginning of the year		24,700	19,938
Additional provisions raised during year		10,956	5,492
Amounts used		(2,282)	(730)
Carrying amount at end of year		33,374	24,700
		2022 \$	2021 \$
Analysis of Employee Provisions			
Current		33,374	24,700
Non-current		-	-
		33,374	24,700

ROYAL PRINCE EDWARD YACHT CLUB
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

Note 11 Capital Commitments

The following capital expenditure requirements have not been provided for in the accounts:

	2022	2021
Payable	\$	\$
— not later than 12 months	389,754	-
— later than 12 months but not later than 5 years	-	-
	<u>389,754</u>	<u>-</u>

Note 12 Auditor's Remuneration

	2022	2021
	\$	\$
Audit of financial statements	10,700	10,000
	<u>10,700</u>	<u>10,000</u>

Note 13 Cash Flow Information

Reconciliation of Cash flow from Operating Activities with Current Year Surplus

	2022	2021
	\$	\$
Total comprehensive income / (loss) attributable to members of the entity	153,252	(313,301)
Investment revenue	-	(1,314)
Non cash flows		
Depreciation and amortisation expense	49,498	43,036
Changes in assets and liabilities		
Decrease/(increase) in accounts receivable and other debtors	(36,414)	(4,254)
Increase/(decrease) in accounts payable and other payables	124,311	(226,584)
Increase in provisions for employee benefits	8,674	4,765
(Increase)/decrease in inventories on hand	(10,311)	(34,554)
(Increase) in prepayments	(15,403)	(16,419)
Net cash (used) in / generated from operating activities	<u>273,607</u>	<u>(548,625)</u>

ROYAL PRINCE EDWARD YACHT CLUB
ABN: 12 000 900 069
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 14 Members' Guarantee

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee domiciled in Australia. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the company.

At 30 June 2022, the total amount that members of the Club are liable to contribute if the company wound up is \$11,600 (2021: \$11,440).

Note 15 Entity Details

The registered office of the entity is:
ROYAL PRINCE EDWARD YACHT CLUB
160 Wolseley Rd
Point Piper NSW 2027

The principal place of business is:
ROYAL PRINCE EDWARD YACHT CLUB
160 Wolseley Rd
Point Piper NSW 2027

ROYAL PRINCE EDWARD YACHT CLUB
ABN: 12 000 900 069
DIRECTORS' DECLARATION

- 1 In the opinion of the directors of ROYAL PRINCE EDWARD YACHT CLUB ("the company");
- (a) the Company is not publicly accountable;
 - (b) the financial statements and notes, as set out on pages 10 to 26, are in accordance with the Corporations Act 2001, and:
 - (i) comply with Australian Accounting Standards - Simplified Disclosure Requirements and the Corporations Regulations 2001; and
 - (ii) give a true and fair view of the financial position of the company as at 30 June 2022 and its performance for the year ended on that date; and
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



Director: A BROADBENT
Commodore



Director: M SHEAFFE
Honorary Treasurer

Dated this 6th day of October 2022

ROYAL PRINCE EDWARD YACHT CLUB
ABN: 12 000 900 069
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ROYAL PRINCE EDWARD YACHT CLUB

Opinion

We have audited the accompanying financial report of ROYAL PRINCE EDWARD YACHT CLUB, which comprises the statement of financial position as at 30 June 2022, statement of profit and loss or other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

In our opinion, the accompanying financial report of Royal Prince Edward Yacht Club is in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the year then ended; and
- b) complying with Australian Accounting Standards to the extent described in Note 1, 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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Royal Prince Edward Yacht Club, would be in the same terms if given to the directors as at the time of this auditor's report. 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 at the date of this auditor's report is information included in the annual report for the year ended 30 June 2022, but does not include the financial report and our 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 on the other information obtained prior to the date of this auditor's report, 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 Royal Prince Edward Yacht Club are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a 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 Royal Prince Edward Yacht Club 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 responsibility 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 judgement 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 Group's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ◆ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Group 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 the audit.

We also provide the directors with a statement that the auditor has complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on the auditor's independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Moyes Yong & Co Partnership

Chartered Accountants



Partner: William M Moyes

Suite 1301, Level 13
115 Pitt Street
Sydney NSW 2000

6 October 2022

ROYAL PRINCE EDWARD YACHT CLUB

ABN 12 000 900 069

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

	Bar Trading		Catering		Sailing		Administration		Total Operation	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<u>Income</u>										
Members Subscriptions							530,197	513,813	530,197	513,813
Development Levy							85,965	85,020	85,965	85,020
Entrance Fees							74,027	83,001	74,027	83,001
Investment Income							-	929	-	929
Club Function Income							26,108	19,955	26,108	19,955
Sundry Income							9,288	8,283	9,288	8,283
Government Subsidies & Grants							16,000	17,500	16,000	17,500
Bar Sales	326,788	371,417							326,788	371,417
Catering Income			295,451	338,483					295,451	338,483
Racing Fees					18,080	19,696			18,080	19,696
Mooring & Boatshed Fees					52,520	49,919			52,520	49,919
Total Income	326,788	371,417	295,451	338,483	70,600	69,615	741,585	728,501	1,434,424	1,508,016
<u>Expenditure</u>										
Cost of Goods Sold	136,804	158,262	182,057	183,998					318,861	342,260
Audit & Accounting Fees							35,218	33,112	35,218	33,112
Bank & Merchant Charges							2,238	2,898	2,238	2,898
Bar Expenses	20,459	11,939							20,459	11,939
Cleaning & Laundry							34,524	29,116	34,524	29,116
Garden Maintenance							15,404	13,441	15,404	13,441
General Expenses			550	906			3,040	11,712	3,590	12,618
Insurance							49,792	47,040	49,792	47,040
Kitchen Maintenance			12,583	16,263					12,583	16,263
Legal & Consulting Fees							3,730	300	3,730	300
Power, Gas & Waste							19,721	15,201	19,721	15,201
Committee & Function Costs							29,607	31,235	29,607	31,235
Merchandise Cost of Sales							7,200	5,196	7,200	5,196
Mooring Fees & Repairs					13,867	13,037			13,867	13,037
Jetty Maintenance					5,239	-			5,239	-
Jetty Rent					4,064	4,016			4,064	4,016
Club Boat Maintenance					20,865	15,647			20,865	15,647
Printing & Stationery							4,064	2,661	4,064	2,661
Prizes after Fund					3,476	900			3,476	900
Provision for Long Service							1,320	949	1,320	949
Rates & Taxes							30,412	29,818	30,412	29,818
Repairs & Replacements							24,316	32,870	24,316	32,870
Security & Fire Protection							19,549	6,625	19,549	6,625
Starters Costs					18,087	19,664			18,087	19,664
Superannuation							11,068	6,843	11,068	6,843
Subscriptions							972	1,050	972	1,050
Telephone & Internet Cost							17,060	14,106	17,060	14,106
Wages & Salaries	58,886	42,948	346,254	317,975			118,028	75,980	523,168	436,903
Workers Compensation							1,886	1,506	1,886	1,506
Sailing Australia Membership							15,545	11,105	15,545	11,105
Administration charge	9,000	9,000	9,000	9,000			-	-	-	-
Total Expenditure	225,149	222,149	550,444	528,142	65,598	53,264	426,694	354,764	1,267,885	1,158,319
Operating Cash Surplus	101,639	149,268	- 254,993	- 189,659	5,002	16,351	314,891	373,737	166,539	349,697
Future Development Fund & Wharf Donations									36,211	256,198
Building Repairs									-	- 876,160
Depreciation									- 49,498	- 43,036
Net Operating Profit									153,252	- 313,301