



Date: 9/5/2024

Amalgamated Sydney Flying Squadron/Australian 18 Footers Business Case

Introduction

The headline principle to the Sydney Flying Squadron (SFS) and the Australian 18 Footers (A18s) amalgamation is defined in the constitution as:

to foster, encourage and promote the sailing of historic 18 foot skiffs, modern 18 foot skiffs, other skiff based sailing boats, and other classes of boats on the waters of Sydney Harbour as approved by the Board from time to time.

With a single business operating both clubhouses, improved operational efficiencies are expected that will assist in the ability to invest more into marketing and running each sailing program but the essence of racing at each prospective club will remain unchanged.

The Operation Model - Risk and Mitigation Strategy

The club operations at the A18s is a proven model to operate under.

What are the A18s strengths?

1. Proven professional operational management of a bar, restaurant and sailing product
2. Operational Stability with good Cash Flow and a strong Cash Position
3. High membership numbers
4. An established clubhouse bar, restaurant and cafe
5. A proven commercial sailing product
6. Alignment of constitutional objectives to the SFS
7. Invested interest in preserving 18s

What are the SFS strengths?

1. Balance Sheet strength (Pattons)
2. An established H18 fleet and sailing product
3. An established clubhouse including a Bar and Restaurant, Cafe operating with a small positive result.
4. A small but passionate sailing membership with a high interest in preserving H18 sailing

The Operating Model

Initially, the two clubs would continue to keep trading as is.

A18s

- Continue through the FY25 financial year with little to no change to the approach to operating the clubhouse and the sailing programme.
- There are currently a number of capital works initiatives that will continue as an improvement and expansion to the clubhouse facility.

SFS

- The H18 Sailing program will continue as is.
- The SFS Clubhouse Catering and Management Agreement to be reviewed. The method of operating and the fees associated with the operation need to change.
- Membership. The core to a business trading under Club NSW is the requirement for membership to be permitted into the club (or be signed in by a member, or be considered out of area and sign in to the club). This is largely not adhered to, particularly with the deck patronage licensed area..
- Pattons
 - Review of existing leases for maximising revenues for the medium and long term
 - Energise the maintenance of the slipway to increase the tenancy revenue therefore the ability to pay a higher lease rental.
 - Build out a Capital Expenditure Plan for the site.
 - For the proposed DA for the Hardstand and Floating Dock
 - Submit the DA
 - Apply for a renewal of the current Maritime Authority lease - maximum time allowable (30 years?)
 - submit another DA for the repairs to the Slipway
 - On approved repairs DA, repair the Slipway to confirm to the lease requirement
 - Operate the Slipway under the renewed Lease, allowing the slipway operator to continue operations with higher utilisation and revenues
 - If the Hardstand DA eventuates, build just the floating dock, or do both.

Risk and Mitigation Strategy

Risk	Mitigation Options
A lack of compliance under Club NSW Act and Liquor and Gaming continues at SFS	A change to accessing the deck. Either the license conditions are removed to continue the cafe on the deck, OR, change this to a member only area and repurpose the cafe.
Applying the compliance to access the Bar/Restaurant/Cafe results in significantly less	A change to the access upstairs, one entrance only. And then during business hours, gate

<p>revenues</p>	<p>keep the access for members only and appropriate sign in. This has proven it can be directly funded by increased memberships.</p> <p>Activate a marketing campaign about membership and what benefits there are to be part of the SFS Clubhouse.</p>
<p>Catering agreement and income model not sustainable</p>	<p>A18s have proven track record in negotiating and implementing agreements and have a working knowledge of the existing situation and potential solutions</p>
<p>No licensor or management actively working on the business of driving revenue and profitability, negotiating leases or managing the relationship with the caterer</p>	<p>Shared executive team as a cost effective solution to ongoing management of both clubs</p>
<p>SFS Board resignation of the President and potential other board members looking to step down</p>	<p>New board with proven competency to be appointed</p>
<p>Capital Works required is more than the cashflow can accommodate</p>	<p>For SFS there has been a Condition Report showing the need for minor works. There is nothing urgent and the costs of these have been estimated and when trading more positively funds can be used for these works</p> <p>For A18s. The Capital Work Program is well established with a 5 year masterplan. Slowing down the program is an option if cashflows weaken.</p>
<p>Pattons needs a lot of money spent on Capital to continue operations.</p>	<p>The Slipway is trading below its potential due to the state of the rails and cradles. Work is currently underway in working out how to renovate the slipway to lift its trade potential, revenue and therefore return.</p> <p>There is a Development Application pending to redevelop the slipway with a hard stand, crane, and floating dock.</p> <p>There are capital works needed namely the slipway rails and cradles, the electrical board in the main building, the fire detection system. These works are significant. All revenues from</p>

	<p>Pattons need to be allocated to Pattons capital works over the next 5 years.</p>
<p>Despite all the best efforts to realise trading profits at the SFS, it doesn't happen (with or without an Amalgamation)</p>	<p>There has been interest from The Ensemble Theatre to buy all or a portion of the freehold land. Considering the bank valuation of Pattons of \$5.6m, this partial sale could generate significant cash flow to overcome immediate operational deficit</p>
<p>Future of SFS sailing and support needed for the existing Historic 18 Footers and providing a race management team for ongoing racing during the seasons ahead</p>	<p>The combined club will have the benefit of A18 professional race management, academy for bringing in youth sailing and a commitment to the future of modern and historic sailing and more budget for maintenance</p>

Financials - Profit and Loss

	Amal	A18s			SFS		
Profit and Loss	forecast Amal Yr1	forecast A18s 2024	A18 2023	A18 2022	forecast SFS 2024	SFS 2023	SFS 2022
Revenue	5,418,801	3,697,355	3,698,620	2,833,290	1,188,026	1,055,872	965,471
Bar trading expenses	-1,981,096	-1,506,565	-1,526,268	-1,095,146	-663,661	-516,708	-426,614
Corporate expenses	-1,481,342	-744,182	-615,026	-499,194	-440,112	-408,016	-488,996
Sailing expenses	-944,885	-1,010,534	-858,558	-819,954	0	-6,643	-22,380
Operating profit before Interest, Depreciation and Amortisation	1,011,478	436,075	698,768	418,996	84,253	124,505	27,481
Interest paid/Finance Costs	-70,162	-9,934	-3,225	-3,431	-65,267	-49,629	-19,623
Depreciation	-582,100	-461,017	-386,077	-361,488	-60,448	-50,618	-73,246
Amortisation - Right-of-use Assets			-29,880	-47,286		0	0
Finance Costs	-48,000	-48,000	-51,321	-33,914			
Operating profit/(loss) after Interest, Depreciation and Amortisation	311,216	-34,877	228,265	-27,123	-41,461	24,258	-65,388

A18s						
Profit and Loss		Amal Facility	A18 FY25	A18s FY2024	A18 2023	A18 2022
Revenue		3,943,263	3,943,263	3,697,355	3,698,620	2,833,290
Bar trading expenses		-1,608,103	-1,608,103	-1,506,565	-1,526,268	-1,095,146
Corporate expenses		-765,964	-743,372	-744,182	-615,026	-499,194
Sailing expenses		-880,170	-880,170	-1,010,534	-858,558	-819,954
Operating profit before IDA		689,026	711,618	436,075	701,993	422,427
Interest paid		-48,000	-48,000	-9,934	-3,225	-3,431
Depreciation		-517,118	-517,118	-461,017	-386,077	-361,488
Amortisation - Right-of-use Assets					-29,880	-47,286
Finance Costs					-51,321	-33,914
Operating profit/(loss) after IDA		123,908	146,500	-34,877	231,490	-23,692
SFS						
Profit and Loss	Amal Entity	Amal Facility	SFS FY25	SFS FY24	SFS 2023	SFS 2022
Revenue	5,418,801	1,475,539	1,390,474	1,188,026	1,055,872	965,471
Bar trading expenses	-1,981,096	-372,993	-681,125	-663,661	-516,708	-426,614
Corporate expenses	-1,481,342	-715,378	-525,488	-440,112	-408,016	-488,996
Sailing expenses	-944,885	-64,715		0	-6,643	-22,380
Operating profit before IDA	1,011,478	322,452	183,861	84,253	124,505	27,481
Interest paid/Finance Costs	-118,162	-70,162	-70,162	-65,267	-49,629	-19,623
Depreciation	-582,100	-64,982	-64,982	-60,448	-50,618	-73,246
Operating profit/(loss) after IDA	311,216	187,309	48,718	-41,461	24,258	-65,388

Note: FY24 Projected

Profit and Loss Notes - A18s

1. A18 revenue is derived across several main income streams - Bar, Memberships, Restaurant, Cafe and Sailing.
2. Current (YTD) and historical income and expenses
 - o Most of the business is self generated through a strong membership base (approx 3,700) and their guests, plus additional traffic in the area, both to Double Bay precinct and via the ferry wharf.
 - o Bar, membership, restaurant and cafe purchases account for approx 84% of total revenues, sailing sponsorships account for approx 16% of total revenues
 - o Bar and restaurant and café offerings are well priced for the target market, and we continue to see strong demand
 - o Memberships are actively promoted to visitors, members' guests, and local traffic, and has resulted in increased revenues in this part of the business.
 - o YTD financial performance is despite the headwinds of wharf construction, council cul de sac and road works, and some macro economic reasons such as interest rate rises cutting into some discretionary spending.
 - o Maintaining and improving current incomes – management is constantly active within each revenue section - Bar, Memberships, Restaurant, Cafe and Sailing, and continue promoting our facilities through several mediums, including our weekly mail outs to approx 6,100 recipients
 - o Staff number approx 17, with very good retention rates, who continue to improve our service and promote the club offerings
 - o Covid: 2020, 21, 22, 23 financial years were covid effected
3. Performance Management

- o We have been forecasting our own budgets at A18's for close to 10 years, and our projected incomes and financial results from our budgets have been historically accurate. In consultation with our accounting firm personnel, we constructively critique and review our performance to improve.
- o We actively track, analyse and account for the business performance more granularly, across these 5 x main cost centres. The A18 invest in an analytics platform Fathom HQ to provide trend insights for financial as well as non financial KPIs.
- o We review our income and expenses, in some parts of the business, on a daily, weekly and monthly basis, and conduct an annual budget review to forecast our income and expenses for the following financial year (including sailing budgets).
- o This practice will continue, whether in a singular or multiple entity

4. Future income and growth

- o For FY25, Sailing Income will remain largely the same. However, there will be reduction in sailing costs with a significant reduction in the number of new sails expense.
- o Bar Revenues in FY24 were impacted with the Wharf Upgrade and Culdesac works. It is expected that revenues will return to FY23 levels now those works have been completed. In addition, the new deck extension and the private function room works are expected to be delivered by Spring 2024 further increasing utilisation. Costs will increase with CPI and a higher bar staff level with an increase in activity.
- o Corporate is expected to rise by 8% inline with the membership pricing. Expenses are largely unchanged.
- o Current and future demand - we have a high level of enquiry for functions which we do not have the capacity for in our current configuration. This is in addition to our current trade.
- o Overall, with future expenses and fixed costs allowed for an incremental increase in expenses

Profit and Loss Notes - SFS

1. SFS revenue is derived across income streams - Bar, Memberships, Catering.
2. Current (YTD) and historical income and expenses
 - o SFS has an (unsigned) Management Agreement with Flying Bear Pty Ltd. Flying Bear provide service to manage the food and beverage delivery as well as pay a rental for the Cafe.
 - o Covid: 2020, 21, 22, 23 financial years were covid effected
3. Future income and growth
 - o Membership has not been promoted as well as it could have been in the last few years resulting in a declining number of members. This has a direct correlation to Bar and Catering Income. Attention to increasing membership numbers could conservatively mean a further 20% more membership income in the coming financial year.
 - o With a lift in Membership and promotion with SFS and community Bar Sales should also be improved to a further 20%.
 - o The Catering Income includes the rental fee for the Cafe which upon review is a long way under market value. To bring this into alignment with market rate will increase revenues.
 - o Costs are forecast to increase in alignment with inflation and CPI. This continues to be a challenge for SFS to control the costs (like all business) for a positive bottom line result.
 - o Covid: 2020, 21, 22, 23 financial years were covid effected

Profit and Loss Notes - An Amalgamated Entity Forecast

1. The A18 income forecast will remain unchanged with the amalgamation.
2. A concentrated effort will be applied to the SFS Entity Income:
 - o As a single membership across both facilities, there should be an increased attraction for membership. A promotion campaign for membership to the A18 membership as well as the Kirribilli community has a conservative increase of 30% from the FY24 numbers.

- Bar Sales correlated to the membership increase is forecast to a conservative increase of 30%
 - The Catering Income will target a commercial arrangement of 8% of revenue, a common approach to F&B in Australia.
 - Previously there was a reimbursement of General Manager Wage as income which has been removed
3. A18 Expenses will remain largely unchanged.
4. SFS Expenses:
- Generally, for ongoing expenses, a lift of 7.5% has been applied
 - The Management Fee income has been removed as this arrangement is highly unlikely to continue with the amalgamation. With this however comes increased front of house labour costs.
 - Accounting and Bookkeeping Fees/Audit Fees will cease for the A18s. For the forecast, the A18 Fee has been increased by 25%. Noting that these fees will exist during the transition period.
 - Marketing has been increased to \$24,000 (from est FY24 \$10,000) to deliver the promotion activity required for increasing membership, club activation.
 - A reduction in overall insurance is expected (for example only one directors liability insurance policy). For the forecast though, an increase of 7.5% has been applied.
 - Sailing Expenses have been increased by \$50,000 for repairs and maintenance of the H18s.
5. Pattons Management Fee income has been removed from the SFS forecast. These funds (for the foreseeable future) are required for reinvestment into the Pattons site.
6. Overall, Operating Profit before Interest Depreciation and Amortisation for the Amalgamated Entity is expected to be \$1,011,478.

Balance Sheet

Balance Sheet	Amal 2025	A18s 2023	A18s 2022	SFS 2023	SFS 2022
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	1,270,774	1,188,830	883,305	81,944	18,911
Trade and other receivables	104,484	90,152	37,983	14,332	97,110
Inventories	57,071	36,576	37,423	20,495	27,228
Other assets	107,031	100,071	109,414	6,960	469
TOTAL CURRENT ASSETS	1,539,360	1,415,629	1,068,125	123,731	143,718
NON-CURRENT ASSETS					
Right-of-use assets	949,441	625,126	822,082	324,315	269,315
Property, plant and equipment	5,305,987	4,245,410	3,814,584	1,060,577	944,531
Investments	5,614,000	0	0	5,614,000	5,614,000
TOTAL NON-CURRENT ASSETS	11,869,428	4,870,536	4,636,666	6,998,892	6,827,846
TOTAL ASSETS	13,408,788	6,286,165	5,704,791	7,122,623	6,971,564
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	1,028,402	998,420	869,371	29,982	179,657

Lease/Tax liabilities	35,710	32,360	25,803	3,350	-
Provisions	9,897	9,520	6,080	377	2,885
TOTAL CURRENT LIABILITIES	1,074,009	1,040,300	901,254	33,709	182,542
NON-CURRENT LIABILITIES					
Trade and other payables	595,545	595,545	663,470	0	-
Financial liabilities	1,310,024	511,989	73,020	798,035	522,401
Lease liabilities	592,766	592,766	796,279		
TOTAL NON-CURRENT LIABILITIES	2,498,335	1,700,300	1,532,769	798,035	522,401
TOTAL LIABILITIES	3,572,344	2,740,600	2,434,023	831,744	704,943
NET ASSETS	9,836,444	3,545,565	3,270,768	6,290,879	6,266,621
EQUITY					
Accumulated Funds	935,698	935,698	660,901		
Reserves	8,241,554	2,609,867	2,609,867	5,631,687	5,631,687
Retained Earnings	659,192			659,192	634,934
TOTAL EQUITY	9,836,444	3,545,565	3,270,768	6,290,879	6,266,621

Assets and liabilities / balance sheet Notes

1. A18's own the building, but not the land. While the balance sheet shows a market value for the building, this is unlikely to be realised by the club (which also applies to the SFS Clubhouse)

2. Lease - renewing the A18's leasehold is a process we must go through every 25 years. Our current lease was a 25 year term and expires in 2028. We have a strong historical record, pay commercial rent, never been in arrears or default, and have a good working relationship with Dept of Transport NSW as well as Woollahra Council. Though we cannot control future government policy, do not anticipate any issues.
3. The Amalgamated Balance Sheet is a sum of the FY2023 positions

Capital works

1. There are several capital works items in the pipeline, for the purpose of strengthening and increasing our revenues, already budgeted to fund with our cash and loan facilities if required. These include:
 - o Deck extension, deck conversion to 'all weather' use
 - o Internal renovation of the old poker machine / smoking area to a dining room / function facility (this will also be multi purpose) – both will increase capacity for the club.
 - o Kitchen refurbish and reconfiguration
 - o Potential upstairs reconfiguration and additional rooms
2. We have completed such works successfully in the past, (deck, café, refurb etc) as we add the income back to the club. We are mindful of not having large debts and higher risks
3. Some of these plans and approvals take years, with the current pipeline advanced
4. We have control over commencement dates and funding

Cash Flow (Xero Reported)

Statement of Cash Flows

Sydney Flying Squadron Ltd

For the year ended 31 May 2024

Account	2024 (as at 8/5/24)	2023	2022
Operating Activities			
Receipts from customers	1,138,369.93	1,170,857.70	1,144,038.01
Payments to suppliers and employees	(1,120,930.68)	(1,071,929.60)	(1,084,232.83)
Cash receipts from other operating activities	(23,688.05)	3,796.41	(7,392.50)
Net Cash Flows from Operating Activities	(6,248.80)	102,724.51	52,412.68
Investing Activities			
Proceeds from sale of property, plant and equipment	562.50	0.00	132,134.16
Payment for property, plant and equipment	(6,785.00)	(166,663.00)	(640,226.30)
Other cash items from investing activities	(12,350.32)	17,940.16	(2,600,619.71)
Net Cash Flows from Investing Activities	(18,572.82)	(148,722.84)	(3,108,711.85)
Financing Activities			
Other cash items from financing activities	2,810.69	(60,308.33)	2,521,015.74
Net Cash Flows from Financing Activities	2,810.69	(60,308.33)	2,521,015.74
Net Cash Flows	(22,010.93)	(106,306.66)	(535,283.43)
Cash and Cash Equivalents			
Cash and cash equivalents at beginning of period	(716,090.14)	(609,783.48)	(74,500.05)
Net change in cash for period	(22,010.93)	(106,306.66)	(535,283.43)
Cash and cash equivalents at end of period	(738,101.07)	(716,090.14)	(609,783.48)

Statement of Cash Flows

Australian - 18 Footers' League Ltd
Budget for 2025

Account	2025	2024 (est)	2023	2022
Operating Activities				
Receipts from customers	4,172,507.96	4,071,881.75	4,172,507.96	3,196,966.34
Payments to suppliers and employees	(3,438,817.37)	(3,560,730.72)	(3,438,817.37)	(2,572,465.48)
Cash receipts from other operating activities	(117,598.03)	(122,155.57)	(117,598.03)	(50,463.72)
Cash payments from other operating activities	0.00	(115.98)	0.00	0.00
Net Cash Flows from Operating Activities	616,092.56	388,879.48	616,092.56	574,037.14
Investing Activities				
Proceeds from sale of property, plant and equipment	0.00	116,068.67	124,221.45	82,000.00
Payment for property, plant and equipment	(600,000.00)	(1,194,347.30)	(850,335.37)	(698,109.32)
Other cash items from investing activities	116,807.32	205,314.34	116,807.32	64,466.98
Net Cash Flows from Investing Activities	(483,192.68)	(872,964.29)	(609,306.60)	(551,642.34)
Financing Activities				
Other cash items from financing activities	(154,479.02)	(124,929.62)	(154,479.02)	(67,411.78)
Net Cash Flows from Financing Activities	(154,479.02)	(124,929.62)	(154,479.02)	(67,411.78)
Net Cash Flows	(21,579.14)	(609,014.43)	(147,693.06)	(45,016.98)
Cash and Cash Equivalents				
Cash and cash equivalents at beginning of period	27,640.21	636,654.64	784,347.70	829,364.68
Net change in cash for period	(21,579.14)	(609,014.43)	(147,693.06)	(45,016.98)
Cash and cash equivalents at end of period	6,061.07	27,640.21	636,654.64	784,347.70

Cash flow Notes

1. In summary, the Bar, Memberships, Restaurant, Cafe are profitable and contribute approximately \$400k to sailing annually on top of the approx \$500k of sponsorship
2. The profit from the clubs trading always goes into the sailing, and any capital works on the club (R&M is included), as well as any principle debt reduction if required

Debt facilities

1. A18's is debt neutral. There is 2 x loan facilities with ANZ, one is 0 debt, and has a \$480,000 limit (ie available) the other is \$480,000 limit, but is offset by \$480,000 cash in the bank. We have access to approximately \$1,000,000 in bank approved lending limits, should we need to access this for our growth.
2. Borrowing capacity – our ability to borrow remains strong, in spite of current high interest rates, and sensitised rates the banks use for assessment.

Membership

Memberships as at 31 October 2023

	A18	SFS
Honorary Members	3	
Sailing Members	63	65
Gold	1981	
Silver/Social	776	260
10 year Members	583	
Other (life, foundation, Members 50 Years)	106	53
	<hr/>	<hr/>
	3,449	378

Summary

A18 has a strong track record in operating our venue across Bar, Memberships, Restaurant, Cafe and Sailing bar

We expect continued strong demand for our offering

The club has a strong cash / net debt position, and strong borrowing capacity

We continually attract the best sailors, and own and operate a fleet of boats at a very high standard



Australian 18 Footers League Limited

ABN: 46 001 071 558

Financial Report

For the Year Ended 30 June 2023

AUSTRALIAN 18 FOOTERS LEAGUE LIMITED
ABN: 46 001 071 558

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AUSTRALIAN 18 FOOTERS LEAGUE LIMITED
ABN: 46 001 071 558

Directors' Report

Your directors present their report on Australian 18 Footers League Limited "the company" for the financial year ended 30 June 2023.

Director Information

The names of the directors in office at any time during, or since the end of the financial year are:

John Winning	Director
Date Appointed	29/10/2000
Qualifications/ Experience	Director Winning Appliances
Special Responsibilities	President
Steve Quigley	Director
Date Appointed	29/10/2000
Qualifications/ Experience	Naval Architect
Special Responsibilities	Measurer
Gary Phillips	Director
Date Appointed	19/10/2003
Qualifications/ Experience	Mortgage Broker
Special Responsibilities	Finance Committee
Simon Nearn	Director
Date Appointed	23/11/2008
Qualifications/ Experience	Management Consultant
Special Responsibilities	Commodore, Finance Committee
Grant Rollerson	Director
Date Appointed	13/11/2017
Qualifications/ Experience	Analyst
Special Responsibilities	Sailing Committee
Yvette Heritage	Director
Date appointed	29/11/2020
Qualifications/Experience	Geotechnical Engineer
Special Responsibilities	Sailing Committee
Jordan Girdis	Director
Date appointed	29/11/2020
Qualifications/Experience	Project Manager / Automation Engineer
Special Responsibilities	Sailing Committee
Aron Everett	Director
Date appointed	05/12/2021
Qualifications/Experience	Sailor/Qantas Pilot
Special Responsibilities	Sailing Committee
Harry Bethwaite	Director
Date appointed	15/11/2022
Qualifications/Experience	Sailor
Special Responsibilities	Sailing Committee

During the financial year, new director Harry Bethwaite was appointed.

AUSTRALIAN 18 FOOTERS LEAGUE LIMITED
ABN: 46 001 071 558

Company Secretary

The following person held the position of the company secretary at the end of the financial year:

Warren Sare is the CEO and the company secretary.

Principal Activities

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

- Operation of a licensed sporting and recreational sailing club

There have been no significant changes in the nature of the company's principal activities during the financial year.

Objectives

The long and short term objectives of the company include:

- To operate a clubhouse, as well as provide sporting and social facilities and amenities for members of the club and their guests;
- To build and maintain a fleet of 18ft skiffs; and
- To promote, manage and conduct sailing races for the 18ft skiff class of sailing boats.

In order to achieve these objectives, the club will strategize how to run a profitable hospitality operation including a bar and a leased dining room. For the year ended 30 June 2023, bar and corporate were positive whilst sailing made a loss. The boating fleet is in excellent condition and during the year new boats were purchased and expenditure on sailing amounted to \$858,558 (2022: \$819,954). The Club uses the results of previous years and that of other similar clubs as a benchmark in assessing its performance.

Operating Results

The total comprehensive income for the year amounted to \$274,797 (2022 profit: \$61,580).

Review Operations

A review of the operations of the company during the financial year and the results of those operations are set out in the reports of the President and Commodore.

During 2023 financial year, the board was closely monitoring cash flow making changes as required. New club development and sailing strategy was developed to take advantage of the positive cash flow.

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

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 at page 8.

AUSTRALIAN 18 FOOTERS LEAGUE LIMITED
ABN: 46 001 071 558

Meetings of Directors

During the financial year, 11 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to Attend	Number attended
John Winning	11	9
Steve Quigley	11	7
Gary Phillips	11	9
Simon Nearn	11	9
Grant Rollerson	11	4
Yvette Heritage	11	8
Jordan Girdis	11	9
Aron Everett	11	10
Harry Bethwaite	7	7

Remuneration Policy

The directors of the company are not remunerated by the company and no remuneration details have therefore been included in the Directors' report.

Professional Indemnity Insurance

The company has paid a premium to insure the directors against the liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as director of the company other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium is not separately identifiable.

Events After Reporting Period

Discussions between Sydney Flying Squadron Ltd (SFS) and the Australian 18 Footers League Ltd (A18s) have been going on for the past few years to consider what it would mean to bring the two clubs together. The underlying themes are:

- There is a lot of history of 18 Footer sailing and racing on Sydney Harbour that exists at the SFS, and in more recent years at the A18s. The efforts of both historians John Stanley and Frank Quealey have been fantastic in building up the library of articles, trophies, etc. This rich history needs to be preserved as a foundation for what is seen as 18 Footer racing on the harbour today.
- A18s sees a strong bond with the SFS with our common goals to continue promoting 18 Footer racing on Sydney harbour. A single brand to do this and utilise a promotional platform will provide a stronger position for 18 footers. This will take advantage of the status of 18 footer racing in both forms to drive support and involvement in the spectacular nature of racing on Sydney harbour - club hospitality, spectator craft, sponsor interest and participation.
- The enormous pressure from the multiplicity of sailing classes today makes it imperative to market, promote and leverage the brand attributes of the 18 footer class to ensure its longevity as a sport suitable for both men and women to pursue.
- Operating the two clubs as one entity will provide a stronger balance sheet for both clubs. There will be operating efficiencies that will assist both clubs to improve their bottom line financial results.

AUSTRALIAN 18 FOOTERS LEAGUE LIMITED
ABN: 46 001 071 558

Both the SFS and A18s boards have the view it makes logical sense to bring the two clubs together. There are a number of formal approvals required by both boards, members, and the authorities. Work has commenced to amalgamate the two clubs together into one entity with the aim of completing the amalgamation in the 2024 financial year.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not party to any such proceedings during the year.

Signed in accordance with a resolution of the Board of Directors:

Dated: 31st October 2023

A handwritten signature in black ink, appearing to be 'John Winning', written over a horizontal line. The signature is stylized with loops and a long horizontal stroke.

John Winning

Director

AUSTRALIAN 18 FOOTERS LEAGUE LIMITED
ABN: 46 001 071 558

Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 9 to 28, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the company.
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.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Dated: 31st October 2023



John Winning

Director



A D Danieli Audit Pty Ltd

Authorised Audit Company
ASIC Registered Number 339233
Audit & Assurance Services

Level 1, 261 George Street
Sydney NSW 2000
PO Box H88
Australia Square NSW 1215

ABN: 56 136 616 610

Ph: (02) 9290 3099

Fax: (02) 9252 7329

Email: add3@addca.com.au

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
AUSTRALIAN 18 FOOTERS LEAGUE LIMITED
A.B.N. 46 001 071 558

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

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

A D Danieli Audit Pty Ltd

James Phu

Sydney, **Dated: 31st October 2023**

AUSTRALIAN 18 FOOTERS LEAGUE LIMITED
ABN: 46 001 071 558
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023	2022
		\$	\$
Revenue	12	3,698,620	2,833,290
Bar trading expenses		(1,526,268)	(1,095,146)
Corporate expenses		(615,026)	(499,194)
Sailing expenses		(858,558)	(819,954)
Operating profit before Interest, Depreciation and Amortisation		698,768	418,996
Interest paid		(3,225)	(3,431)
Depreciation - Leasehold Improvements		(38,728)	(43,968)
Depreciation - Plant & Equipment		(32,610)	(28,735)
Depreciation - Skiffs		(149,812)	(114,296)
Depreciation - Building Leasehold		(164,927)	(174,489)
Amortisation - Right-of-use Assets	18	(29,880)	(47,286)
Finance Costs	18	(51,321)	(33,914)
Operating profit/(loss) after Interest, Depreciation and Amortisation		228,265	(27,123)
Other comprehensive income/(loss)			
Gain on disposal of non-current assets	7.2	46,532	30,743
Covid-19 Government Support		-	57,960
Total comprehensive income for the year		274,797	61,580
Total comprehensive income attributable to members of the entity		274,797	61,580

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

AUSTRALIAN 18 FOOTERS LEAGUE LIMITED
ABN: 46 001 071 558
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	1,188,830	883,305
Trade and other receivables	3	90,152	37,983
Inventories	4	36,576	37,423
Other assets	5	100,071	109,414
TOTAL CURRENT ASSETS		1,415,629	1,068,125
NON-CURRENT ASSETS			
Right-of-use assets	6	625,126	822,082
Property, plant and equipment	7	4,245,410	3,814,584
TOTAL NON-CURRENT ASSETS		4,870,536	4,636,666
TOTAL ASSETS		6,286,165	5,704,791
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	998,420	869,371
Lease liabilities	18	32,360	25,803
Provisions	11	9,520	6,080
TOTAL CURRENT LIABILITIES		1,040,300	901,254
NON-CURRENT LIABILITIES			
Trade and other payables	9	595,545	663,470
Financial liabilities	10	511,989	73,020
Lease liabilities	18	592,766	796,279
TOTAL NON-CURRENT LIABILITIES		1,700,300	1,532,769
TOTAL LIABILITIES		2,740,600	2,434,023
NET ASSETS		3,545,565	3,270,768
EQUITY			
Accumulated Funds		935,698	660,901
Reserves	13	2,609,867	2,609,867
TOTAL EQUITY		3,545,565	3,270,768

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

AUSTRALIAN 18 FOOTERS LEAGUE LIMITED
ABN: 46 001 071 558
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Accumulated Funds	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 30 June 2021	599,321	2,609,867	3,209,188
Profit/(loss) attributable to members	61,580	-	61,580
Balance at 30 June 2022	660,901	2,609,867	3,270,768
Profit/(loss) attributable to members	274,797	-	274,797
Balance at 30 June 2023	935,698	2,609,867	3,545,565

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

AUSTRALIAN 18 FOOTERS LEAGUE LIMITED
ABN: 46 001 071 558
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		3,575,565	3,012,472
Payments to suppliers and employees		(2,887,019)	(2,542,001)
COVID-19 Government Support	12	-	57,960
Finance costs and interest paid		(54,545)	(37,385)
Interest received		2,926	40
Net cash generated from operating activities	21	<u>636,927</u>	<u>491,086</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(865,371)	(616,109)
Proceeds from disposal of plant and equipment		95,000	88,617
Net cash used in investing activities		<u>(770,371)</u>	<u>(527,492)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in borrowings		438,969	51,333
Net cash used in financing activities		<u>438,969</u>	<u>51,333</u>
Net increase in cash held		305,525	14,927
Cash at the beginning of the financial year		883,305	868,378
Cash at the end of the financial year	2	<u>1,188,830</u>	<u>883,305</u>

The above statement of cash flows should be read in conjunction with the accompanying notes to the financial report.

AUSTRALIAN 18 FOOTERS LEAGUE LIMITED
ABN: 46 001 071 558
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. General information

The financial report is a general purpose financial report that has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (IFRS), including Australian Accounting Interpretations, Australian Accounting Standards – Reduced disclosure requirements, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group interpretations and the *Corporations Act 2001*.

The financial report covers the company of Australian 18 Footers League Limited as an individual entity. Australian 18 Footers League Limited is a public company, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial report was authorised for issue by the directors on the 31st day of October 2023.

a) Basis of preparation

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial liabilities for which the fair value basis of accounting has been applied.

b) Going concern

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

c) Comparatives

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

d) Fair value of assets and liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period.

AUSTRALIAN 18 FOOTERS LEAGUE LIMITED
ABN: 46 001 071 558
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in the highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

e) Property, plant and equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal.

Depreciation

The depreciable amount of all fixed assets is depreciated over their useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Buildings on Leasehold	Diminishing over 25 years
Plant and Equipment	Diminishing over 2.5 – 25 years
Skiffs	Diminishing over 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

f) Intangibles

The company currently holds a number of poker machine entitlements which meet the definition of an intangible asset under AASB 138 Intangible Assets, however these have not been reflected in the financial statements as the value of these assets cannot be reliably measured. The directors do not believe that the value of these assets would be material to the financial statements.

g) Inventories

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

AUSTRALIAN 18 FOOTERS LEAGUE LIMITED
ABN: 46 001 071 558
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Financial Assets and Liabilities

Financial Assets

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determined payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial asset or liability has been impaired. Impairment losses are recognised in the statement of comprehensive income.

i) Cash and cash equivalents

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

j) Cash on hand

Cash on hand includes cash held for operating activities including tills, poker machines, and on-site ATM.

k) Employee benefits

Wages and Salaries, and Annual Leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of statement of financial position date are recognised in respect of employees' services rendered up to statement of financial position date and measured at amounts expected to be paid when the liabilities are settled. Liabilities for wages and salaries and annual leave are included as part of trade and other payables.

Long Service Leave

Liabilities for long service leave are recognised as part of the provision for employee benefits and measured at the present value of expected future payments to be made in respect of services provided by employees to the statement of financial position date using the projected unit credit method. Consideration is given to expected future salaries and wages levels, experience of employee departures and periods of service.

Retirement Benefit Obligations

Contributions are made to employee superannuation funds and are charged as expenses when incurred.

AUSTRALIAN 18 FOOTERS LEAGUE LIMITED
ABN: 46 001 071 558
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l) Provisions

Provisions are recognised when the company 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.

m) Borrowings

Borrowing costs are recognised as an expense in the statement of comprehensive income in the period in which they are incurred.

n) Income Taxes

The company was granted income tax exempt status by the Australian Taxation Office on 3 April 1991 and continues to assess itself to be exempt under current legislation.

o) Revenue

Revenue is recognised at the fair value consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised:

Bar Sales

Revenue from bar sales is recognised upon those goods passing to the customers.

Dining Room Rental

Rental income on the dining room is accounted for on a straight-line basis over the lease term.

Interest

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Sponsorship Revenue

Revenue from sponsorship is recognised in the year which the sponsorship relates.

Membership Fees

Revenue from membership fees is recognised in the year to which the membership relates.

The club issued 10 year memberships and revenue from membership fees will be amortised over the next ten years.

AUSTRALIAN 18 FOOTERS LEAGUE LIMITED
ABN: 46 001 071 558
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

q) Impairment of assets

At each reporting date, the company reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

As the future economic benefits of the company's assets are not primarily dependent upon their ability to operate net cash inflows, and if deprived of the asset, the company would replace the asset's remaining future economic benefits, "value in use" is determined as the depreciated replacement cost of the asset, rather than by using discounted cash flows.

r) Leases

On 1 July 2019, the company adopted AASB 16 using the modified retrospective approach. AASB 16 Leases replaces AASB 117 Leases for annual period beginning on or after 1 July 2019. Adoption of AASB 16 has resulted in the recognition of a right-of-use asset and a corresponding liability at 1 July 2019 for existing leases with a term of more than 12 months, unless the underlying asset is of low value. Future leases after 1 July 2019 with a term of more than 12 months will be recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments, less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

AUSTRALIAN 18 FOOTERS LEAGUE LIMITED
ABN: 46 001 071 558
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The company has analysed all their leases and have determined that the appropriate interest rate to calculate the net present value due to the adoption of AASB 16 would be the incremental borrowing rate. Currently, all-right-of use assets are calculated based on an interest rate of 8% p.a.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

s) Trade and other receivables

Trade receivables are recognised at original invoice amounts less an allowance for uncollectable amounts and have repayment terms between 30 and 90 days. Collectability of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectable are written off. An allowance is made for doubtful debts where there is objective evidence that the company will not be able to collect all amounts due according to the original terms.

t) Deferred income

Membership fee revenue represents annual membership fees paid by the company's members. The public company recognises membership fee rateably over the term of the membership and any unearned portion is included in subscriptions received in advance.

u) Trade and other payables

Trade and other payables are stated at cost, which approximates fair value due to the short term nature of these liabilities. Trade and other payables represent liabilities for goods and services provided to the company prior to the year end and which are unpaid. These amounts are unsecured and are usually paid within 90 days of recognition.

v) Critical accounting estimates and judgements

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

AUSTRALIAN 18 FOOTERS LEAGUE LIMITED
ABN: 46 001 071 558
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Key estimates

Impairment

Leasehold land and buildings were independently valued at 20 March 2017 by Keen Property Pty Ltd. The valuation was based on the fair value less cost to sell. The critical assumptions adopted in determining the valuation included the location of the leasehold land and buildings, the current strong demand for leasehold land and buildings in the area and recent sales data for similar properties.

At 30 June 2023, the directors reviewed the key assumptions made by the valuers at 20 March 2017. They have concluded that these assumptions remain materially unchanged and carrying amount does not exceed the recoverable amount of land and buildings at 30 June 2023.

Key judgements

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. The company expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

w) Right-of-use assets standards and interpretations

The Company applied AASB 16: *Leases*

AASB 16 requires a single lessee accounting model that will require a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets are initially measured at their cost and lease liabilities are initially measured on a present value basis. Subsequent to initial recognition:

- right-of-use assets are accounted for on a similar basis to non-financial assets, whereby the right-of-use asset is accounted for in accordance with a cost model; and
- lease liabilities are accounted for on a similar basis as other financial liabilities, whereby interest expense is recognised in respect of the liability and the carrying amount of the liability is reduced to reflect lease payments made.

The right of use asset and lease liability is recorded on the balance sheet in respect of the company's portfolio of property leases.

x) New accounting standards for application in future periods

The directors have reviewed the new accounting standards applicable to future periods. These accounting standards will have no effect on the company's financial statements. The company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

AUSTRALIAN 18 FOOTERS LEAGUE LIMITED
ABN: 46 001 071 558
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 2: CASH AND CASH EQUIVALENTS

	2023	2022
	\$	\$
Cash at bank	1,171,282	858,409
Cash on hand	17,548	24,896
	<u>1,188,830</u>	<u>883,305</u>

NOTE 3: TRADE AND OTHER RECEIVABLES

Trade receivables	90,152	37,983
	<u>90,152</u>	<u>37,983</u>

NOTE 4: INVENTORIES

Inventory at cost	36,576	37,423
	<u>36,576</u>	<u>37,423</u>

NOTE 5: OTHER ASSETS

Deposits/Prepayments	100,071	109,414
Total	<u>100,071</u>	<u>109,414</u>

NOTE 6: RIGHT-OF-USE ASSETS

Right of Use Assets

Opening written down value	822,082	869,368
Value adjustment	(167,076)	-
Less accumulated amortisation	(29,880)	(47,286)
Closing written down value	<u>625,126</u>	<u>822,082</u>

AUSTRALIAN 18 FOOTERS LEAGUE LIMITED
ABN: 46 001 071 558
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

	2023	2022
	\$	\$
Buildings on Leasehold		
Revaluation and improvements	3,134,566	3,134,566
Less accumulated depreciation	<u>(1,206,613)</u>	<u>(1,041,686)</u>
Total Buildings on Leasehold	<u>1,927,953</u>	<u>2,092,880</u>
Leasehold Improvements		
At cost	850,053	771,279
Less accumulated depreciation	<u>(358,449)</u>	<u>(319,721)</u>
Total Leasehold Improvements	<u>491,604</u>	<u>451,558</u>
Plant and Equipment		
At cost	664,708	438,469
Less accumulated depreciation	<u>(302,595)</u>	<u>(269,985)</u>
Total Plant and Equipment	<u>362,113</u>	<u>168,484</u>
18' Skiffs		
At cost	2,153,908	1,756,217
Less accumulated depreciation	<u>(690,168)</u>	<u>(654,555)</u>
Total 18' Skiffs	<u>1,463,740</u>	<u>1,101,662</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>4,245,410</u>	<u>3,814,584</u>

AUSTRALIAN 18 FOOTERS LEAGUE LIMITED
ABN: 46 001 071 558
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

7.1. Movements in Carrying Amounts

Current Year	Buildings on Leasehold # \$	Leasehold Improvements \$	Plant & Equipment \$	18' Skiffs \$	Total \$
Written down value at the beginning of the year	2,092,880	451,558	168,484	1,101,662	3,814,584
Additions	-	78,774	226,239	560,358	865,371
Sale/Disposal	-	-	-	(48,468)	(48,468)
Depreciation expenses	(164,927)	(38,728)	(32,610)	(149,812)	(386,077)
Written down value at the end of the year	1,927,953	491,604	362,113	1,463,740	4,245,410

The buildings on leasehold are subject to a registered mortgage to secure the loan from Commonwealth Bank of Australia Limited (Note 10).

7.2 Profit/(Loss) on disposal of non-current assets

	Note	2023 \$	2022 \$
Open book value of assets			
Book value of skiff		(48,468)	(55,612)
Book value of P&E		-	(2,262)
Sale proceeds		95,000	88,617
Profit/(loss) on disposal of non-current assets		46,532	30,743

NOTE 8: FINANCIAL INSTRUMENT CLASSIFICATION

Loans and receivables (including cash and cash equivalents)	8.1	1,278,982	921,288
Current portion		1,278,982	921,288
Financial liabilities at amortised cost	8.2	2,115,474	1,611,941
		2,115,474	1,611,941

8.1 Loans and receivables comprise:

Cash and cash equivalents	1,188,830	883,305
Trade and other receivables	90,152	37,983
	1,278,982	921,288

AUSTRALIAN 18 FOOTERS LEAGUE LIMITED
ABN: 46 001 071 558
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

8.2 Financial liabilities at amortised cost comprise:

	2023	2022
	\$	\$
Trade and other payables	1,593,965	1,532,841
Leave provisions	9,520	6,080
Bank loans	511,989	73,020
	<u>2,115,474</u>	<u>1,611,941</u>

Financial Risk Management

The items listed above are the main financial risks of the entity. These risks are reviewed by directors and managers on a regular basis.

NOTE 9: TRADE AND OTHER PAYABLES

Current

Trade payables	404,595	331,018
Subscriptions received in advance	356,228	336,261
GST payable	31,956	65,642
Other creditors	105,754	16,301
Accruals	99,887	120,149
Total current liabilities	<u>998,420</u>	<u>869,371</u>

Non Current

Subscriptions received in advance (10 years' membership)	<u>595,545</u>	<u>663,470</u>
Total non-current liabilities	<u>595,545</u>	<u>663,470</u>

NOTE 10: FINANCIAL LIABILITIES

NON-CURRENT

Secured liabilities

Bank loans – Market rate facility	21,989	73,020
Bank loans 2 – Market rate facility	490,000	-
	<u>511,989</u>	<u>73,020</u>

A Flexible Rate Loan with ANZ Bank is secured by a registered mortgage over a registered lease over the property situated at 77 Bay Street, Double Bay. Interest charged at 30 June 2023 is at a rate of 8% (2022: 5.25%). Available funds to withdraw is \$401,139 as of 30 June 2023. Second ANZ loan was approved and total fund \$490,000 drew down on 28th June 2023.

AUSTRALIAN 18 FOOTERS LEAGUE LIMITED
ABN: 46 001 071 558
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 11: PROVISIONS

	2023	2022
	\$	\$
CURRENT		
Annual leave	9,441	6,080
Long service leave	79	-
	<u>9,520</u>	<u>6,080</u>

NOTE 12: REVENUE

	Note	2023	2022
		\$	\$
<i>From operating activities:</i>			
Bar sales		2,135,327	1,326,997
Interest		2,926	40
Member subscriptions		717,069	587,982
Other revenue		15,211	23,619
Sailing revenue		50,219	82,277
Rental income		172,368	111,489
Sponsorships	12.1	605,500	700,886
Total Revenue from operating activities		<u>3,698,620</u>	<u>2,833,290</u>
<i>Covid-19 Government support</i>			
JobKeeper Payment Scheme		-	57,960
Total Covid-19 Government support		<u>-</u>	<u>57,960</u>
<i>12.1 Sponsorships and Sailing related Expenses</i>			
Sponsorships		605,500	700,886
Sailing expenses		(858,558)	(819,954)
Sailing Loss before Skiff depreciation		<u>(253,058)</u>	<u>(119,068)</u>

NOTE 13: RESERVES

Asset Revaluation Reserve

Opening Balance	2,609,867	2,609,867
Movement during the year	-	-
Closing Balance	<u>2,609,867</u>	<u>2,609,867</u>

AUSTRALIAN 18 FOOTERS LEAGUE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 14: TAX AND INCOME TAX EXPENSE

The company was granted income tax exempt status by the Australian Taxation Office on 3 April 1991.

NOTE 15: SURPLUS FOR THE YEAR

The surplus from operating activities is stated after inclusion of the following items:

	2023	2022
	\$	\$
Depreciation and amortisation of property, plant and equipment	386,078	361,488
Finance expenses: Interest paid	3,225	3,431
Finance expenses: Lease interest paid	51,321	33,914
Rent amortisation	29,880	47,286
Employment costs	735,531	539,509

NOTE 16: AUDITOR'S REMUNERATION

Remuneration of the auditor of the company A D Danieli Audit Pty Ltd for:

Audit of the financial report	16,300	15,750
Other Services		
A D Danieli Chartered Accountants - Weekly, Monthly Accounting, Tax & Budgeting Services	77,640	75,000

NOTE 17: KEY MANAGEMENT PERSONNEL COMPENSATION

Key Management Personnel

Short-term Benefits – Salaries, wages and fees	235,100	147,000
Superannuation	8,895	8,400
	243,995	155,400

AUSTRALIAN 18 FOOTERS LEAGUE LIMITED
ABN: 46 001 071 558
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 18: COMMITMENTS

Lease commitments

The lease commitments relate to the lease of the club site from the NSW Maritime Authority. The current lease was signed on the 01 July 2010 and has been extended for a further 25 years to 30 June 2035. The current base rent charged by the NSW Maritime Authority is \$88,987 GST exclusive per annum. For 2023FY, estimated supplemental rent \$41,178 accrued.

The minimum lease payments have been disclosed below:

$$\text{STR} = (\text{GS1} \times \text{TP1}) + (\text{GS2} \times \text{TP2}) = (\text{SLR} \times \text{TP3}) - \text{BR}$$

Where: STR = The Supplement Turnover Rent payable for the Relevant Lease Year
 GS1 = the first \$1,901,426 of Total Revenue applicable for the Relevant Lease Year
 GS2 = The Total Revenue exceeding \$1,901,426 applicable for the relevant Lease Year
 SLR = Sub Lease Rent
 TP1 = Turnover Percentage of 2.5%
 TP2 = Turnover Percentage of 5%
 TP3 = Turnover Percentage of 20%
 MBR= The Minimum Base Rent paid or payable for the relevant Lease Year

The current lease requires a bank guarantee for the purpose of securing the lease. The bank guarantee is taken from Commonwealth Bank for a total of \$16,749.

Lease liabilities capitalisation

Effective 1 July 2019, the company applied AASB 16: Leases for the first time. AASB 16 requires a single lessee accounting model that will require a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets are initially measured at their cost and lease liabilities are initially measured on a present value basis. The company has determined that the appropriate interest rate to calculate the net present value due to the adoption of AASB 16 would be the incremental borrowing rate which is currently at a rate of 8% p.a.

	2023	2022
	\$	\$
- Rent amortisation	29,880	47,286
- Current lease liabilities	32,360	25,803
- Non-current lease liabilities	592,766	796,279
Total capitalised lease liabilities	625,126	822,082

AUSTRALIAN 18 FOOTERS LEAGUE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Capital Management

Management controls the capital of the entity to ensure that adequate cash flows are generated to fund its operations and that the returns from investments are maximised within tolerable risk parameters.

Management effectively manages the entity's capital by assessing the entity's financial risks and responding to changes in these risks and in the market.

	2023	2022
	\$	\$
Payable – minimum lease payments (Maritime Lease)		
- Right of Use Asset amortisation	29,880	47,286
- Right of Use Asset interest expense	51,321	33,914
Total	81,201	81,200

NOTE 19: CONTINGENT LIABILITIES

The lease with NSW Maritime Authority (which was renewed on the 01 July 2010) includes a 'make good' condition within the lease. The condition states that the NSW Maritime Authority has the right to demand the company to clear the land at the end of the lease term at the cost of the company. Therefore, the Authority has the right to demand the company to remove the building from the site upon expiration of the lease.

The current lease also requires a bank guarantee for the purpose of securing the lease. The bank guarantee is taken from Commonwealth Bank for a total of \$16,749.

The Directors have not provided for the cost of this 'make good' provision as they do not believe that it is probable that the Authority will enforce this condition. The Directors are unable to quantify the effect of this contingent liability.

NOTE 20: RELATED PARTY TRANSACTIONS

Sales of services

Sponsorships by Winning Group	61,795	179,073
-------------------------------	--------	---------

NOTE 21: CASH FLOW INFORMATION

Reconciliation of cash flow from Operating Activities

Profit/(loss) during the year	274,797	61,580
Non-cash flows:		
Depreciation, amortisation and impairment	415,958	408,774
Disposed assets	(46,532)	(57,874)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(52,169)	70,250
(Increase)/decrease in prepayments	9,343	67,393
(Increase)/decrease in inventories	847	(9,618)
Increase/(decrease) in trade and other payables	31,243	(30,590)
Increase/(decrease) in provisions	3,440	(18,829)
Cash flows from operating activities	636,927	491,086

AUSTRALIAN 18 FOOTERS LEAGUE LIMITED
ABN: 46 001 071 558
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 22: MEMBERS' GUARANTEE

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$2 each towards any outstanding obligations of the company. At 30 June 2023 the number of members was 3,844 (2022: 3,576)

NOTE 23: COMPANY DETAILS

(a) The company is a company limited by guarantee.

(b) The company is incorporated in Australia.

(c) The registered office of the company is:

Australian 18 Footers League Limited
77 Bay Street
Double Bay NSW 2028.

(d) The principal business of the company is that of a licensed sporting and recreational club.

NOTE 24: EVENTS AFTER REPORTING PERIOD

Discussions between Sydney Flying Squadron Ltd (SFS) and the Australian 18 Footers League Ltd (A18s) have been going on for the past few years to consider what it would mean to bring the two clubs together. The underlying themes are:

- There is a lot of history of 18 Footer sailing and racing on Sydney Harbour that exists at the SFS, and in more recent years at the A18s. The efforts of both historians John Stanley and Frank Quealey have been fantastic in building up the library of articles, trophies, etc. This rich history needs to be preserved as a foundation for what is seen as 18 Footer racing on the harbour today.
- A18s sees a strong bond with the SFS with our common goals to continue promoting 18 Footer racing on Sydney harbour. A single brand to do this and utilise a promotional platform will provide a stronger position for 18 footers. This will take advantage of the status of 18 footer racing in both forms to drive support and involvement in the spectacular nature of racing on Sydney harbour - club hospitality, spectator craft, sponsor interest and participation.
- The enormous pressure from the multiplicity of sailing classes today makes it imperative to market, promote and leverage the brand attributes of the 18 footer class to ensure its longevity as a sport suitable for both men and women to pursue.
- Operating the two clubs as one entity will provide a stronger balance sheet for both clubs. There will be operating efficiencies that will assist both clubs to improve their bottom line financial results.

Both the SFS and A18s boards have the view it makes logical sense to bring the two clubs together. There are a number of formal approvals required by both boards, members, and the authorities. Work has commenced to amalgamate the two clubs together into one entity with the aim of completing the amalgamation in the 2024 financial year.

A D Danieli Audit Pty Ltd

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INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF

AUSTRALIAN 18 FOOTERS LEAGUE LIMITED

A.B.N. 46 001 071 558

Report on the Financial Report

We have audited the accompanying financial report of Australian 18 Footers League Limited, which comprises the statement of financial position as at 30 June 2023, 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, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility 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 – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

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

Liability limited by a scheme approved under Professional Standards Legislation

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Australian 18 Footers League Limited, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion,

- a. the financial report of Australian 18 Footers League Limited is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the entity's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001* and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

A D Danieli Audit Pty Ltd

James Phu

James Phu

Dated 31st October 2023



AUSTRALIAN 18 FOOTERS LEAGUE LIMITED
ABN: 46 001 071 558
IMPORTANT INFORMATION FOR CLUB MEMBERS
(UNAUDITED)

The reporting period for the Australian 18 Footers' League Limited is 1 July 2022 to 30 June 2023.

1 IMPORTANT NOTE

- 1.1 The Registered Clubs Act 1976 defines a Top Executive as being one of the five highest paid employees of the Club at each separate premises of the Club.

2 DISCLOSURE OF INTERESTS OF DIRECTORS IN CONTRACTS WITH THE CLUB – SECTION 14C

- 2.1 Club members may inspect the original of these disclosures and declarations by making a written application to the Secretary.
- 2.2 The Registered Clubs Act 1976 requires Directors who have a material personal interest in matters that relate to the affairs of the Club to declare the interest at a board meeting and the Club to display the declaration on the Club's notice board.
- 2.3 A contract is any commercial arrangement whether written or not.
- 2.4 Sponsorship from Winning Group is \$61,795.

3 FINANCIAL INTERESTS IN HOTELS - SECTION 41

- 3.1 Club members may inspect the original of these disclosures and declarations by making a written application to the Secretary.
- 3.2 In the reporting period there were Nil occasions when Directors reported a financial interest in a hotel in NSW.
- 3.3 In the reporting period there were Nil occasions when Top Executives reported a financial interest in a hotel in NSW.

4 GIFTS TO DIRECTORS AND STAFF- SECTION 41E AND SECTION 41F

- 4.1 Club members may inspect the original of these disclosures and declarations by making a written application to the Secretary.
- 4.2 An affiliated body of the Club includes subsidiary Clubs, and any body which the Club made a grant to within the previous 12 months.
- 4.3 A gift includes money, hospitality, or discounts.
- 4.4 A gift valued at more than \$500 must be disclosed; gifts from contractors must be disclosed if they total more than \$500 from an individual contractor in the reporting period.
- 4.5 Directors
- 4.5.1 In the reporting period there were Nil occasions when Directors of the Club reported receiving gifts from the Affiliated Bodies.
- 4.5.2 In the reporting period there were Nil occasions when Directors of the Club reported receiving gifts from Contractors.

AUSTRALIAN 18 FOOTERS LEAGUE LIMITED
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IMPORTANT INFORMATION FOR CLUB MEMBERS
(UNAUDITED)

4.6 Top Executives and Employees

4.6.1 In the reporting period there were Nil occasions when Top Executives of the Club reported receiving gifts from Affiliated Bodies.

4.6.2 In the reporting period there were Nil occasions when Employees of the Club reported receiving gifts from Contractors.

4.7 Value of Gifts

4.7.1 The total value of all gifts that Directors and Top Executives received from Affiliated Bodies in the reporting period is Nil.

4.7.2 The total value of all gifts that Directors and Employees received from Contractors in the reporting period is Nil.

5 TOP EXECUTIVES

5.1 The number of Club Top Executives whose total remuneration for the reporting period falls within each successive \$10,000 band commencing at \$100,000 is nil.

6 OVERSEAS TRAVEL- S.41B (2)

6.1 There was no overseas travel cost incurred in the reporting period.

7 LOANS TO STAFF- S.41N (2)

7.1 The Registered Clubs Act 1976 requires the Club to report loans to Employees of \$1,000 or more.

7.2 In the reporting period, the Club made Nil loans to Employees.

8 CONTRACTS APPROVED BY BOARD- S.41C

8.1 During the reporting period Nil contracts were approved relating to the remuneration of the Club's Top Executives.

8.2 The Registered Clubs Act 1976 defines a Controlled Contract as being a Club contract:

8.2.1 in which a Director or Top Executive has a pecuniary interest, or

8.2.2 for provision of professional advice relating to the following:

- a) significant change to management structure or governance of the Club;
- b) significant change to the financial management of the Club;
- c) disposal of land; and
- d) the amalgamation of the Club.

8.3 During the reporting period Nil controlled contracts were approved by the Board and forwarded to the Director of Liquor and Gaming of which:

8.3.1 Nil Significant change to the management structure or governance of the Club

8.3.2 Nil such contracts related to the provision of professional advice. These contracts fall into the following advice categories:

8.3.2.1 Nil significant change to the management structure or governance of the Club.

AUSTRALIAN 18 FOOTERS LEAGUE LIMITED
ABN: 46 001 071 558
IMPORTANT INFORMATION FOR CLUB MEMBERS
(UNAUDITED)

8.3.2.2 Nil significant changes to the financial management of the Club.

8.3.2.3 Nil disposal of Club land.

8.3.2.4 Nil amalgamation of the Club.

9 EMPLOYEES RELATED TO DIRECTORS AND TOP EXECUTIVES- S.41H (1) (f)

9.1 A Close Relative is defined in section 41B of the Registered Clubs Act 1976 and includes the immediate family.

9.2 In the reporting period, no employees were related to any Directors or Top Executives of the Club.

10 PAYMENTS TO CONSULTANTS- S.41H (1)(g) AND (h)

10.1 During the reporting period no consultants were engaged by the Club.

11 DETAILS OF SETTLEMENTS PAID BY THE CLUB- S.41H (1) (i)

11.1 In the reporting period the Club made Nil legal settlements with either a director or Club employee. Being:

11.1.1 Nil with a director of the Club.

11.1.2 Nil with a Club employee.

11.2 The total value of all legal settlements was Nil.

11.3 The total legal costs paid by the Club for such settlements was Nil.

12 LEGAL FEES PAID BY THE CLUB -S.41H (1) (U)

12.1 In the reporting period, there were Nil instances when the Club paid legal fees for Directors and Employees. This included:

12.1.1 Nil instances for Directors and

12.1.2 Nil instances for Employees.

12.2 In the reporting period the Club paid a total of Nil being for legal fees paid for Directors and Employees.

13 GAMING MACHINE PROFIT- S.41H (1) (k)

13.1 Gaming machine profit and the gaming machine tax period are defined in the Gaming Machine Tax Act 2001.

13.2 Gaming machines were sold in prior years and currently the company has no gaming machine.

AUSTRALIAN 18 FOOTERS LEAGUE LIMITED
ABN: 46 001 071 558
IMPORTANT INFORMATION FOR CLUB MEMBERS
(UNAUDITED)

14. Memberships as at 30 June 2023

Honorary Members	2
Sailing Members	57
Gold	2,093
Silver	908
10 year Members	575
Other (life, foundation, Members 50 Years)	<u>209</u>
	<u>3,844</u>

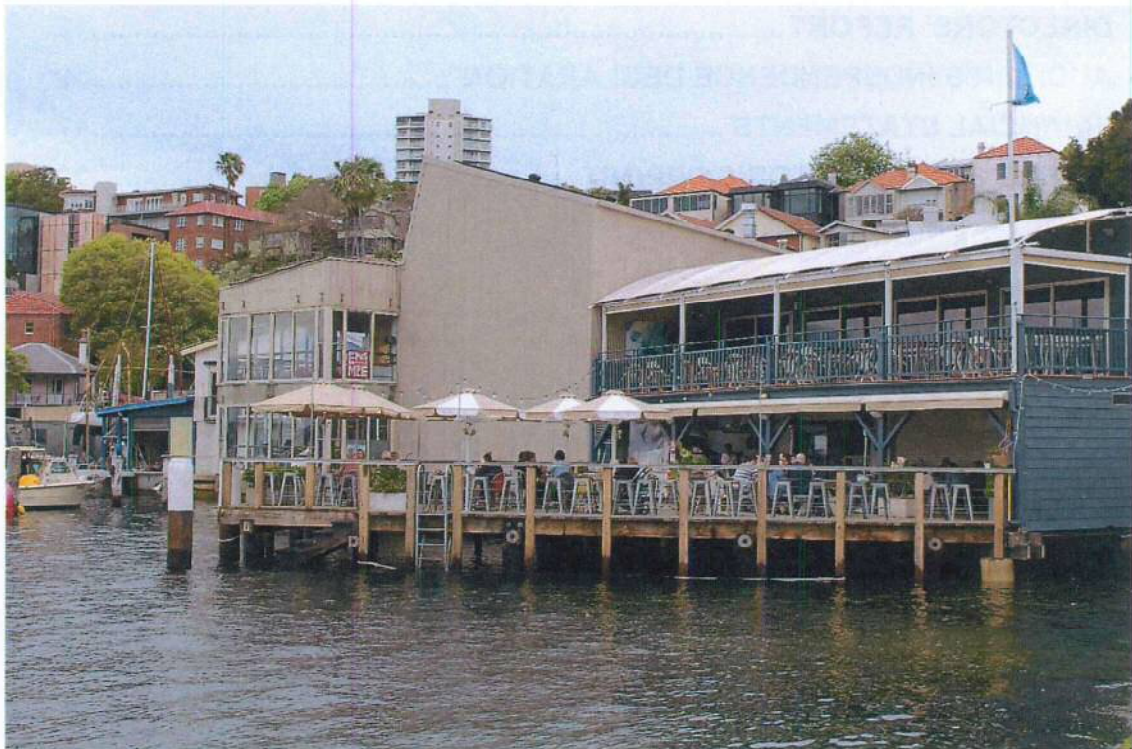
15 CORE PROPERTY- S.41J (2)

15.1 The core property is the Club Premises located at 77 Bay Street, Double Bay, NSW, 2028.



SYDNEY FLYING SQUADRON LTD

Australia's oldest open boat sailing club
Founded in 1891



ANNUAL REPORT 2021 - 2022

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AGM AGENDA

The 133rd Annual General Meeting of the Sydney Flying Squadron Limited will be held at
10:00am on Sunday 27th November 2022 in the Clubhouse,

76 McDougall Street Milsons Point NSW 2061.

1. To receive and consider the reports of the Board
2. To receive and consider the financial report as required by the Act and the Registered Clubs Act for the year ending 31 May 2022
3. To elect the Board in accordance with the Constitution
4. Life Membership Nominations
5. To deal with any valid business of which due notice has been given
6. To deal with general business as approved by the chairman of the meeting.

PRESIDENT'S REPORT 2021 – 2022

It has been another interesting year. The season started late due to COVID and in the first part of the year the Club was closed due to COVID with the exception of the Café which traded without the deck.

The deck renovation was slow to start however, we have finished up with a great job and considerably more work was done than anticipated due to the poor state of piles under the Club.

I am pleased to say that we are now back in full swing and look forward seeing everyone during a great sailing season.

John Winning
President

COMMODORE'S REPORT 2021 – 2022

The last (we hope) Covid lockdown delayed us getting back on the water until 30th October and regardless we managed to get a full season of sailing in although finishing a little later in the year. It was a great relief for all to get out from under the doona and back on the harbour!

A great effort from all the crews in maintaining the sailing spirit and the varnish! A very successful year for the Scot crew taking out the Season Point Score; The Mistake taking the silverware for the Club Championship: Britannia again winning the Ringtail "Fergy" Cup and Yendys name emblazoned on the Galloping Ghost again, with Top Weight grabbing the Raw Meat stump. And Aussie IV kept the Australia Day Anniversary Regatta medal. Congratulations to the well seasoned crews and their skippers, good to see the chocolates getting shared around a little more this season.

The 12 ft skiff fleet continued to enjoy the Sunday series with a consistent fleet every week. Again the SFS hosted 2 heats of the State Titles that were strongly supported with the Lane Cove 12ft Sailing Skiff Club joining us on the course. Great to see the Clubs working together.

The wharf works are finally completed in time for the coming season and looking fantastic. Clement Marine have provided an outstanding result that we can enjoy for many years to come. I am looking forward to us all christening the deck after our first race on 15 October.

Works will be completed shortly installing the Platform Lift to the main entry that takes accessibility into the Club into the 21st century. Funds for these works that will see a brighter welcome to the Club have been provided via a Community Building Programme grant, the Jim North Trust and what's left in the bank after the wharf works.

Future works will see the toilets upgraded to accessibility standards.

The Flying Bear Café remained open for take away service during lockdown via the hole in the wall. Thanks to Emma and Adam Marshall for their investment in the rebuilt Flying Bear Café on the new wharf and I encourage your patronage more than ever at the Café, Foy's restaurant and the SFS bar.

Many thanks to the Sailing Committee, volunteers and members who generously give their time towards supporting the programme. And finally thanks to John "Woody" Winning for his support and the use of Rippleside over the season.

Bring on summer, sailing and getting behind the SFS after the unprecedented pandemic.

Sail On
Billy Loader - Commodore

TREASURER'S REPORT 2021 – 2022

When I said John Winning couldn't have known what was around the corner after he signed off his '19/'20 Report, I just may have been wrong. Maybe he can see around the corners. FY '21/'22 has certainly been "interesting", if that means "difficult".

As you all know, Covid-19 restrictions were eased back, and your Club regained some of the patronage it had enjoyed pre-pandemic. But not entirely. The F.Y. '21/'22 was another frustrating and difficult year where the continuation of the virus, the weather and a certain reluctance for people to support the hospitality industry generally across Sydney was evident.

Added to all that, mid-year the downstairs deck needed unavoidable and serious renovation and in doing so, shut off a very popular part of the Club's facilities for a much longer period than was first anticipated by Board, the engineer and the contractor, not to mention the members and park on-lookers.

None of the above was particularly helpful to our finances, climbing out of the intense Covid period. The expression "It never rains but it pours" came to mind more than once.

We were not alone, as if that was any comfort. Bird and Bear lost their café, and we were obliged to open the "Hole in the Wall" version of the Flying Bear by installing a park-facing facility to serve the members and local appetite for breakfast and coffee. Of course, the sale of alcoholic beverage was minimal over the period (and still is) but the Hole in the Wall was very popular with locals and traded well. I should acknowledge Pat and his café staff for showing up at 7.00 a.m. every morning, seven days a week, hail rain or shine. There was plenty of all that, as you know.

Why am I mentioning all this? Because in aggregate, all these things were disruptive and significantly impacted your Club's ability to earn revenue but it should be noted regardless, the club managed to go close to break-even for the financial year 21/22. While we're feeling sorry for ourselves, we should also spare a thought and complement Bird and Bear for their tenacity and maintenance of Foy's Restaurant and outdoor café facility while all this was happening around us. As in the previous year, some clubs did not survive or were forced into mergers with other clubs. The SFS is still here, burgee flying, now on the verge of a very exciting and hopefully prosperous new ('22/'23) financial year and beyond.

The FY '21/'22 report is in the AGM Report for all to view as I said in the last report, so there's no need for me to re-iterate. The summary is: we're still here, we plan to be into the future and we've learned that a longer term financial view is valuable, despite the short-term hurdles thrown up along the way.

While low membership numbers continued to plague us in FY '21/'22, the renewed infrastructure, and a solid marketing plan soon to be launched will help to turn that around.

Our relatively new accounting resource, A.D. Danieli Chartered Accountants, led by Sam Danieli and ably assisted by Carmen Pascuzzo and Rebecca Roughley, have added a valuable third-party view to our financial management and reporting, and we thank them for that.

Please be assured, I was as mean with the club's money in FY '21/'22 as I am now. I think you'll find by the end of the '22/'23 FY, the three years' reports will all make better sense read as a continuum rather than the short, year-by-year narratives served up to members more recently.

Finally, I'll take this opportunity to thank my Board colleagues for their support and counsel during the past year. There is a cohesive feeling about this Board that makes open and objective debate possible and adds immeasurably to a better outcome all 'round during this era of uncertainty and difficulty. However, regardless, I believe there are vastly better times just around that damned corner that our President seems to be able to see around!

As always, it has been a pleasure to help.

Alan Robertson
Honorary Treasurer

PATTONS UPDATE 2021 – 2022

Following Council's refusal of the Development Application in 2020 we have now prepared a revised DA that addresses all the concerns raised by objectors and Council, At the time of writing we are preparing the final documents for resubmission.

We have held a pre-DA meeting with Council that addressed the issues raised and the supporting reports from consultants have been revised to accommodate all the concerns raised.

The refusal acknowledged the objections from residents that centered around loss of views, visual impacts, and intensification of the site use. These matters are addressed in the revised DA submission and have resulted in a reduced hardstand area, replacing the "burnt out" boatshed with a single storey structure and reducing the boat lifting crane to a 15-ton folding arm crane.

The lockdowns had caused delays to the processes involved and we are hoping for a successful assessment with the resubmission

SOCIAL COMMITTEE REPORT 2021 – 2022

The SFS Social Committee operates as an official Committee under the Articles of the club. The SFS Board has access to the Committee's financial records.

The focus of the Social Committee is to support the club and its members, both social and sailing. How fortunate it was for the Historic 18 footers to complete a full sailing season ending April 2022, but again three of our Historic 18ft fleet stayed dry in the boatshed! There is however good news, that with the current Learn-to-Sail initiative, more attendees will progress to skiff crew members. As and when they occur, events such as milestone birthdays or honours attributed to significant members of the club, are acknowledged by the Social Committee.

The After Sailing BBQ and Raffles on Saturdays, conducted by sailing crews and volunteers, proved very popular and it is this Committee's pleasure to have allocated \$5,500 of that income towards skiff maintenance and repairs. The Tea & Coffee Corner, together with the Sign-in Table, were delegated to a rear corner of the boatshed to facilitate the continued operation of The Flying Bear Café, however all will be reinstated when the wharf works are completed in September 2022. Volunteers who are willing to assist in whatever capacity are most welcome.

Coral Taylor
On behalf of the SFS Social Committee.

MAINTENANCE REPORT 2021 – 2022

The Club has undertaken two significant projects over the past year with the Wharf replacement and the refurbished Entry that now includes an accessible Platform Lift.

The Wharf

The Board had been monitoring the structural adequacy of the Wharf by structural engineers almost annually over the past 18 years to my knowledge. The report by Land & Marine Engineers in 2018 rang some loud alarm bells and required immediate attention to make the structure sound. This was again another band aid and the decision had to be made to replace the wharf.

L&M Engineers prepared plans for the rebuild and along with survey and historic use information was submitted to Dept Trans NSW – Maritime for their approval to replace what is required under the lease. We were eventually granted permission to meet our lease requirements and tenders were sought for the works.

Australian Wharf and Bridge and Hope Diving Services Aust and others were approached to quote the works with AWB being the successful tenderer. AWB carried out mainly demolition works over an extended period before being terminated due to lack of performance. Clement Marine were then engaged to complete the works and have done an outstanding job.

Once the wharf was demolished L&M could carry out further assessment of the support structure for the Balcony and rear Façade of the building. This exposed inadequately performing foundation structures that required attention. Remedial works were carried out accordingly to L&M's satisfaction, and we will not have to address this for another 50 years.

We thank John Winning for his tenacity and diligence in administering and coordinating the Wharf works, whilst providing take away Café operations with our Caterers via the Woody designed "hole in the wall" to the park. Thankyou Mr President.

The Club Entry

A Community Building Grant for \$40,000.00 was awarded to the Club for the installation of an Accessible Platform Lift in the Club's Entry.

The lift will be commissioned on the 28th of October and will open the doors to wheelchairs and prams alike. Major modifications to the entry staircase and top landing area were required and we can now enjoy a refreshed welcome to our Club.

The works have been undertaken under a cost-plus arrangement with Brisull Industries being the Principal Contractor. Working with Rob Britt from Brisull we have managed to bring the project in close to on time and on budget. Thanks to Brisull for their efforts and support of the Club.

Our previous Report was full of Covid impacts and its gloomy outlook.

The Club is looking great and we welcome fair winds and sunshine going ahead.

Director's Report

For the year ended 31 May 2022

The financial statements of Sydney Flying Squadron Limited (the Company) for the year ended 31 May 2022 are set out on pages 10 to 15. The financial statements were audited by the auditor, PricewaterhouseCoopers (PwC), who has issued an unqualified audit opinion on the financial statements.

Sydney Flying Squadron Limited
ABN 70 000 487 230

Financial Statements
For the year ended 31 May 2022

Account Name	2022	2021
Current Assets	1,234,567	987,654
Current Liabilities	(345,678)	(234,567)
Net Current Assets	888,889	753,087
Non-current Assets	123,456	109,876
Non-current Liabilities	(56,789)	(45,678)
Net Non-current Assets	66,667	64,198
Total Assets	1,955,112	1,527,171
Total Liabilities	(402,467)	(280,245)
Equity	1,552,645	1,246,926

Directors' Report

For the Year ended 31 May 2022

Your Directors present their report on the Sydney Flying Squadron Ltd (the Company) for the financial year ended 31 May 2022, and the Auditor's Report.

Meeting Attendance:

During the 2022 financial year, twelve (12) meetings of Directors were held where a quorum of four or more Directors were present. Attendances were:

Director	Number of Meetings Eligible to Attend	Number of Meetings Attended
John Winning	11	10
Robert Gordon	11	9
Alan Robertson	11	11
William Loader	11	8
Terry Stewart	11	7
Michael Van Stom	11	8
Donald Buckley	11	11

Director Information:

Director / Occupation	Position	Status
John Winning Company Director	President (due for re-election 2024)	Director since Feb 2016 Patton's Board / Sailing Committee / CDI Member
Robert Gordon Ferry Master	Vice President (due for re-election 2024)	Director since Nov 2016
Alan Robertson Advertising Executive	Treasurer (due for re-election 2022)	Director since Nov 2011 Patton's Board
William Loader Project Manager	Commodore (due for re-election 2024)	Director since May 2016 Patton's Board Sailing Committee
Terry Stewart Retired	Vice Commodore (due for re-election 2022)	Director since Oct 2015 Sailing Committee
Michael Van Stom Providore	Director (due for re-election 2023)	Director since Nov 2019
Donald Buckley Maritime Surveyor	Director (due for re-election 2023)	Director since August 2020

Subsidiary Company

The Company controls its wholly owned subsidiary Company, Patton's Slipways Pty Ltd (Patton's). The Directors of the subsidiary Company as at the date of this report are Alan Robertson, William Loader and John Winning.

Operating Result

The (loss) of the Sydney Flying Squadron Pty Ltd for the financial year ending 2022 before tax is (\$22,532); (loss) for Patton's Slipways Pty Ltd is (\$1,668); and Consolidated (loss) of (\$24,200).

Significant Changes in the State of Affairs

There have been no Significant Changes to the State of Affairs of the Sydney Flying Squadron Limited over the 2021 – 2022 financial year period.

Review of Operations

A review of the operations of the Company during the financial year and the results of those operations are as follows:

The Company continued its operations as a registered club during the whole of the financial year. The results of those operations are as disclosed in the financial statements enclosed herein.

Principal Activities

The principal activities of the Company, and its subsidiary Company, during the financial year were the conduct and promotion of a licensed social club for members, conduct of sailing races and commercial property owner. No significant change in the nature of these activities occurred during the year.

Post Balance Date Events

Since the end of the financial year, the Club increased its borrowing facilities to \$976,972 to fund wharf replacement. There have been no other circumstances or events which could significantly affect or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in future years.

Future Developments

We are pleased to announce that over the past year the wharf has been completely rebuilt with additional substructure works to support the Balcony and rear façade. The café has a new fitout with take aways operating off the park. We look forward to many sailing, and social events on the wharf along with the return of the ferry.

The front entry to the Club has also had a major upgrade with installation of an accessible Platform Lift. The lift is to be commissioned on the 28th October. This is a major step in upgrading the Club to disabled accessible standards. We will be applying for other grants to go towards upgrading the toilets to accessible standards, we would like to do this works as soon as possible – funds permitting, with all donations gratefully accepted.

The second Development Application for the Patton's Slipways Redevelopment has been submitted to the Department of Planning for assessment. The concerns raised by our neighbours have been addressed as practically possible with reduced visual impacts and a smaller hardstand footprint. We look forward to a favourable outcome and look forward to an upgraded facility that will benefit the Club, without constant maintenance, for many years.

Environmental Issues

The Company's operations are subject to significant environmental regulation under the laws of the Commonwealth and/or of a State or Territory including:

- Food Act 2003
- Food Regulations 2004
- Public Health Act 1991

Directors' Benefits

Since the end of the financial year, no Director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the accounts or received as the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or by a related corporation with the Directors or with a firm of which he is a member, or with a company in which he has a substantial financial interest, apart from William Loader, sole owner of Architectural & Maritime Design, provider of Project Management Services for the Patton's redevelopment.

Indemnifying Officer or Auditor

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial year, to any person who is or has been an officer or auditor of the Company.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Auditors Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* has been included.

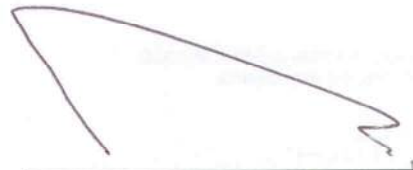
Signed in accordance with a resolution of the Board of Directors:



JOHN WINNING

Director and President

Date: 11 October 2022



ALAN ROBERTSON

Director and Treasurer

Date: 11 October 2022

Auditor's Independence Declaration

ROBERTSON & GREENWOOD PTY LTD

CHARTERED ACCOUNTANTS
ABN: 46 607 764 054

The Board of Directors
Sydney Flying Squadron Limited
76 McDougall Street
MILSONS POINT NSW 2061

Dear Sir/Madam

RE: SYDNEY FLYING SQUADRON LIMITED

Auditor's Independence Declaration Under Section 307C of The Corporations Act 2001

As auditor for Sydney Flying Squadron Limited for the year ended 31 May 2022 I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

ROBERTSON & GREENWOOD
Chartered Accountants



Mathew George

Baulkham Hills, NSW
11 October 2022

Suite 211, 12 Century Circuit
"Norwest Central"
Baulkham Hills NSW 2153
Telephone: 9680 8600

P.O. Box 8312
Baulkham Hills NSW 2153
Email: Mathew@randg.com.au
Facsimile: 9680 9755

PSC: Liability is limited by a Scheme approved under Professional Standards Legislation

Income Statement

For the year ended 31 May 2022

By function	Note	Economic Entity (Club & Patton's)		Parent Entity (Club)	
		2022	2021	2022 \$	2021 \$
Sales revenue		615,805	861,989	615,805	861,989
Cost of sales		(426,614)	(541,893)	(426,614)	(541,893)
Gross profit		189,191	320,096	189,191	320,096
Other revenue		633,189	690,879	391,522	436,189
Total revenue		822,380	1,010,975	580,713	756,285
Administration expenses		(96,633)	(69,235)	(78,022)	(67,101)
Finance costs		(23,488)	(13,405)	(19,623)	(8,239)
Other expenses from ordinary activities		(726,078)	(864,399)	(505,600)	(635,034)
Total expenses		(846,199)	(947,039)	(603,245)	(710,374)
Profit/(Loss) before tax	2	(23,819)	63,936	(22,532)	45,911
Income tax expense	3	(381)	-	-	-
Profit/(Loss) attributable to members of the entity		(24,200)	63,936	(22,532)	45,911

The above Income Statement should be read in conjunction with the accompanying notes.

Balance Sheet

As at 31 May 2022

	Note	Economic Entity (Club & Patton's)		Parent Entity (Club)	
		2022 \$	2021 \$	2022 \$	2021 \$
Current assets					
Cash and cash equivalents	4	26,518	120,790	18,911	83,108
Trade and other receivables	5	142,306	202,219	97,110	106,731
Inventories	6	27,229	26,378	27,228	26,378
Other assets	7	44,382	54,368	469	700
Total current assets		240,435	403,755	143,718	216,917
Non-current assets					
Receivables	8	-	-	269,315	264,315
Property, plant and equipment	9	6,937,768	3,726,208	944,531	383,059
Investments	10	-	-	5,614,000	3,014,000
Total non-current assets		6,937,768	3,726,208	6,827,846	3,661,374
Total assets		7,178,203	4,129,963	6,971,564	3,878,291
Current liabilities					
Trade and other payables	11	302,290	188,677	179,657	19,890
Tax liabilities	13	-	(6,604)	-	(3,815)
Provisions	14	2,885	15,455	2,885	15,455
Total current liabilities		305,175	197,528	182,542	31,530
Non-current liabilities					
Borrowings	12	522,401	157,608	522,401	157,608
Total non-current liabilities		522,401	157,608	522,401	157,608
Total liabilities		827,576	355,136	704,943	189,138
Net assets		6,350,627	3,774,827	6,266,621	3,689,153
Equity					
Equity	15	-	-	-	-
Reserves	16	5,543,551	2,943,551	5,631,687	3,031,687
Retained earnings		807,076	831,276	634,934	657,466
Total Equity		6,350,627	3,774,827	6,266,621	3,689,153

The above Balance Sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For year ended 31 May 2021

Note	Parent Entity (Club)			Total \$
	Retained Earnings \$	Asset Revaluation Reserve \$	General Reserve \$	
Balance at 1 June 2020	611,555	3,000,000	32,358	3,643,913
Profit/(Loss) attributable to members	45,911	-	-	45,911
Revaluation increment/(decrement)	-	(671)	-	(671)
Sub-total	45,911	(671)	-	45,240
Balance at 31 May 2021	657,466	2,999,329	32,358	3,689,153

For the year ended 31 May 2022

Note	Parent Entity (Club)			Total \$
	Retained Earnings \$	Asset Revaluation Reserve \$	General Reserve \$	
Balance at 1 June 2021	657,466	2,999,329	32,358	3,689,153
Profit/(Loss) attributable to members	(22,532)	-	-	(22,532)
Revaluation increment	-	2,600,000	-	2,600,000
Sub-total	(22,532)	2,600,000	-	(2,577,468)
Balance at 31 May 2022	634,934	5,599,329	32,358	6,266,621

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Changes in Equity (cont.)

For year ended 31 May 2021

Note	Economic Entity (Club & Patton's)			Total \$
	Retained Earnings \$	Asset Revaluation Reserve \$	General Reserve \$	
Balance at 1 June 2020	767,340	2,911,193	32,358	3,710,891
Profit/(Loss) attributable to members	63,936	-	-	63,936
Sub-total	63,936	-	-	63,936
Balance at 31 May 2021	831,276	2,911,193	32,358	3,774,827

For the year ended 31 May 2022

Note	Economic Entity (Club & Patton's)			Total \$
	Retained Earnings \$	Asset Revaluation Reserve \$	General Reserve \$	
Balance at 1 June 2021	831,276	2,911,193	32,358	3,774,827
Profit/(Loss) attributable to members	(24,200)	-	-	(24,200)
Revaluation increment	-	2,600,000	-	2,600,000
Sub-total	(24,200)	2,600,000	-	2,575,800
Balance at 31 May 2022	807,076	5,511,193	32,358	6,350,627

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Cash Flow Statement

For the year ended 31 May 2022

	Note	Economic Entity (Club & Patton's)	
		2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers		1,192,620	1,447,853
Payments to suppliers and employees		(994,568)	(1,333,292)
Interest received		105	149
Other receipts		56,269	104,866
Finance costs		(23,488)	(8,239)
Net cash provided by operating activities	19	230,938	211,337
Cash flows from investing activities			
Payment for property, plant and equipment		(690,003)	(46,413)
Net cash (used in) investing activities		(690,003)	(46,413)
Cash flows from financing activities			
Proceeds from borrowings		416,450	-
Repayment of borrowings		(51,657)	(68,892)
Net cash provided by/(used in) financing activities		364,793	(68,892)
Net increase/(decrease) in cash held		(94,272)	96,032
Cash at beginning of year		120,790	24,758
Cash at end of year	4	26,518	120,790

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Notes to Financial Statements

For the year ended 31 May 2022

Note 1: Statement of Significant Accounting Policies

The Financial Report is a general purpose financial report prepared to satisfy the financial report preparation requirements of the *Corporations Act 2001*. The Directors have determined that the Company is a reporting entity.

Sydney Flying Squadron Limited is a Company limited by guarantee, incorporated and domiciled in Australia.

Basis of preparation

The report has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards

The financial report was authorised for issue on 11 October 2022 by the Board of Directors.

Reporting basis and conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Accounting policies

a. Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or substantially enacted at the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Note 1: Statement of Significant Accounting Policies (cont.)

a. Income tax (cont.)

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

b. Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is assigned on an average cost basis and includes supplier's invoice price, import duties, shipping charges, insurance and other acquisition costs where applicable and bringing them to their existing condition and location.

c. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or Directors' valuation less, where applicable, any accumulated depreciation.

(i) Property

Freehold land and buildings are carried at Directors' valuation.

(ii) Plant and Equipment

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

(iii) Depreciation

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a diminishing value basis over their useful lives to the Company commencing from the time the asset is held ready for use.

Class of Fixed Asset	Depreciation Rate
Buildings and Leasehold Improvements	2.5% - 10%
Plant and equipment	7.5% - 15%
Computers	25% - 40%
Other plant and equipment	7.5% - 15%

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

Note 1: Statement of Significant Accounting Policies (cont.)

c. Property, Plant and Equipment (cont.)

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of assets are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

d. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and benefits incidental to the ownership of the leased asset, but not the legal ownership, to the lessee. All other leases are treated as operating leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

e. Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

f. Investments in Associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognises the Company's share of post-acquisition reserves of its associates.

g. Provisions

Provisions are recognised when the Company 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.

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 three months or less, and bank overdrafts. Bank overdrafts, if any, are shown within short-term borrowings in current liabilities on the balance sheet.

i. Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

Note 1: Statement of Significant Accounting Policies (cont.)

j. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

k. Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of its fair value less costs to sell and its value in use, is compared to the carrying value of the asset. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

l. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

m. Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

n. Critical Accounting Estimates and Judgments

In application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may vary from these estimates. The estimates and assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or the period of revision and future periods if the revision affects both current and future periods.

o. New Accounting Policies

There were no new accounting policies issued or adopted during the period.

Note 2: Profit from ordinary activities

	Economic Entity (Club & Patton's)		Parent Entity (Club)	
	2022	2021	2022	2021
	\$	\$	\$	\$
Profit/(Loss) from ordinary activities before income tax has been determined after:				
a Expenses				
Depreciation of property, plant and equipment	78,443	59,130	73,246	53,379
Auditor remuneration	15,200	15,800	12,000	14,300
b Revenue and net gains				
Membership Fees	62,333	38,634	62,333	38,634

Note 3: Income tax expense

Operating profit/(loss) before income tax	(23,819)	63,936	(22,532)	45,911
Prima facie income tax expense/(benefit) calculated 25% (2021: 26%)	(5,955)	16,624	(5,633)	11,937
Less income tax expense/(benefit) not brought to account at balance date	6,336	(16,624)	5,633	(11,937)
Total income tax expense/(benefit)	381	-	-	-

Note 4: Cash and cash equivalents

Cash on hand and at bank	26,518	120,790	18,911	83,108
	26,518	120,790	18,911	83,108

a. Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	26,518	120,790	18,911	83,108
	26,518	120,790	18,911	83,108

Note 5: Trade and other receivables

	Economic Entity (Club & Patton's)		Parent Entity (Club)	
	2022 \$	2021 \$	2022 \$	2021 \$
Current				
Trade receivables	142,306	202,219	97,110	106,731
	<u>142,306</u>	<u>202,219</u>	<u>97,110</u>	<u>106,731</u>

Note 6: Inventories

Current				
Stock on hand	27,229	26,378	27,229	26,378
	<u>27,229</u>	<u>26,378</u>	<u>27,229</u>	<u>26,378</u>

Note 7: Other assets

Current				
Prepayments and other receivables	44,382	54,368	469	700
	<u>44,382</u>	<u>54,368</u>	<u>469</u>	<u>700</u>

Note 8: Receivables

Non-current				
Loan receivable - unsecured	-	-	269,315	264,315
	<u>-</u>	<u>-</u>	<u>269,315</u>	<u>264,315</u>

Note 9: Property, plant and equipment

	Economic Entity (Club & Patton's)		Parent Entity (Club)	
	2022 \$	2021 \$	2022 \$	2021 \$
Land & buildings				
Freehold land and buildings at:				
Directors' valuation 2022	5,600,000	3,000,000	-	-
Redevelopment Project	979,407	317,925	606,199	-
Total Land & buildings	6,579,407	3,317,925	606,199	-
 (i) On 24 May 2022, freehold land and buildings held by Patton's were revalued by an independent valuer. The fair value of freehold land and buildings was determined to be \$5,600,000 (2021: \$3,000,000).				
(ii) The valuation was made in accordance with a policy of regular revaluation by the Directors to reflect the market value of its investments and also due to the Club increasing borrowings to fund wharf refurbishment.				
Leasehold improvements				
Leasehold improvements at cost	1,095,620	1,095,620	1,058,394	1,058,394
Less accumulated depreciation	(798,027)	(761,871)	(779,270)	(746,836)
Total Leasehold improvements	297,593	333,749	279,124	311,558
Furniture and fittings				
Furniture and fittings at cost	673,005	673,005	575,960	575,960
Plus additions	4,120	-	4,120	-
Less accumulated depreciation	(617,290)	(609,028)	(520,872)	(512,698)
Total Furniture and fittings	59,835	63,977	59,208	63,262
Plant and equipment				
Plant and equipment at cost	93,620	93,620	59,102	59,102
Plus additions	24,400	-	24,400	-
Less accumulated depreciation	(118,020)	(84,161)	(83,502)	(50,863)
Total Plant and equipment	-	9,459	-	8,239
Motor boats				
Motor boats at cost	61,665	61,665	-	-
Less accumulated depreciation	(60,732)	(60,567)	-	-
Total Motor boats	933	1,098	-	-
Total property, plant and equipment	6,937,768	3,726,208	944,531	383,059

Note 10: Investments

Shares held in subsidiary company	-	-	5,614,000	3,014,000
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(i) The basis of valuation of the Company's investment in its subsidiary company was fair market value as determined by the Directors.

Note 11: Trade and other payables

	Economic Entity (Club & Patton's)		Parent Entity (Club)	
	2022	2021	2022	2021
	\$	\$	\$	\$
Current				
Trade payables	283,731	159,308	175,198	4,621
PAYG withholding payable	2,405	3,955	2,405	3,955
Rental Bond Received	14,100	14,100	-	-
Sundry payables and accrued expenses	2,054	11,314	2,054	11,314
	<u>302,290</u>	<u>188,677</u>	<u>179,657</u>	<u>19,890</u>

Note 12: Borrowings

Non-current				
Other persons – secured	522,401	157,608	522,401	157,608
	<u>522,401</u>	<u>157,608</u>	<u>522,401</u>	<u>157,608</u>
Total current and non-current secured liabilities:				
Other persons	522,401	157,608	522,401	157,608
	<u>522,401</u>	<u>157,608</u>	<u>522,401</u>	<u>157,608</u>

The loan facilities are secured by the following:

- First Registered Equitable Mortgage by Sydney Flying Squadron Limited;
- First Registered Equitable Mortgage by Patton's Slipways Pty Ltd; and
- First Registered Mortgage by Patton's Slipways Pty Ltd over Non-Residential Property located at 62 Willoughby Street, Kirribilli NSW 2061.

Note 13: Tax Liabilities

GST payable	-	(6,604)	-	(3,815)
	<u>-</u>	<u>(6,604)</u>	<u>-</u>	<u>(3,815)</u>

Note 14: Provisions

Current				
Employee benefits	2,885	15,455	2,885	15,455
	<u>2,885</u>	<u>15,455</u>	<u>2,885</u>	<u>15,455</u>

Note 15: Equity

a. Capital

The Company is limited by guarantee and as such there is no issued capital.

	Economic Entity (Club & Patton's)		Parent Entity (Club)	
	2022	2021	2022	2021
	\$	\$	\$	\$

Note 16: Reserves

a. General Reserve

Victor Everson Trust	<u>32,358</u>	<u>32,358</u>	<u>32,358</u>	<u>32,358</u>
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The general reserve was used in prior years to record amounts set aside to fund the future expansion of the Company

b. Asset Revaluation Reserve

The asset revaluation reserve records revaluations of non-current assets.

	<u>5,511,193</u>	<u>2,911,193</u>	<u>5,599,329</u>	<u>2,999,329</u>
Total Reserves	<u>5,543,551</u>	<u>2,943,551</u>	<u>5,631,687</u>	<u>3,031,687</u>

Note 17: Events after the balance sheet date

Since the end of the financial year, the Club increased its borrowing facilities to \$976,972 to fund wharf replacement. There have been no other circumstances or events which could significantly affect or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in future years.

Note 18: Contingent liabilities

Bank guarantees	<u>522,401</u>	<u>157,608</u>	<u>522,401</u>	<u>157,608</u>
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Note 19: Cash flow information

	Economic Entity (Club & Patton's)	
	2022	2021
	\$	\$
Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax		
Profit/(Loss) from ordinary activities after income tax	(24,200)	63,936
Non-cash flows in profit from ordinary activities		
Depreciation	78,443	59,130
(Increase)/Decrease in Assets:		
Trade and other receivables	59,913	17,679
Inventories	(851)	4,138
Other assets	9,986	2,725
Increase/(Decrease) in Liabilities:		
Trade and other payables	113,613	52,446
Provisions	(12,570)	15,455
Other liabilities	6,604	(4,172)
Cash Flows from operating activities	230,938	211,337

Note 20: Commitment for Capital Expenditure

Since balance date the Company has not entered into any commitments for capital expenditure.

Note 21: Company details

The registered office and principal place of business of the Company is:

Sydney Flying Squadron Limited
76 McDougall Street
MILSONS POINT NSW 2061


Directors' declaration

The Directors have determined that the Company is a reporting entity and that this general purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.


The Directors of the Company declare that:

1. The financial statements and notes, as set out in pages 17 to 31 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards and the *Corporations Regulations 2001*; and
 - b. give a true and fair view of the Company's financial position as at 31 May 2022 and of its performance for the year ended on that.
2. In the opinion of the Directors there are reasonable grounds, at the date of this statement, to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Director: JOHN WINNING
Dated this 11 October 2022



Director: ALAN ROBERTSON
Dated this 11 October 2022

Audit Report

ROBERTSON & GREENWOOD CHARTERED ACCOUNTANTS

MATHEW GEORGE

IAN ROBERTSON
CONSULTANT

Independent Auditor's Report
To the Members of Sydney Flying Squadron Limited

Scope

We have audited the financial report, being the Directors Declaration, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Notes to the Financial Statements of Sydney Flying Squadron Limited for the financial year ended 31 May 2022.

The company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements so as to present a view which is consistent with our understanding of the company's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Independence

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration has not changed as at the date of providing our audit opinion.

Audit opinion

In our opinion, the financial report of Sydney Flying Squadron Limited for the year ended 31 May 2022 is in accordance with:

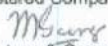
- the Corporations Act 2001 so as to:
 - give a true and fair view of the entity's financial position as at 31 May 2022 and of its performance for the year ended on that date; and
 - comply with Accounting Standards and the Corporations Regulations; and
- other mandatory professional reporting requirements.

Emphasis of Matter

Sydney Flying Squadron agreed on a Management Agreement with Flying Bear Pty Ltd in December 2021 but it is noted that the agreement is not yet signed and is awaiting approval from Liquor & Gaming NSW. The terms of the agreement have been followed since that date and the financials have been prepared in the expectation that the agreement will be ratified.

Dated this 11th day of October, 2022

Mathew George
Registered Company Auditor


Robertson & Greenwood
Chartered Accountants

Suite 211, 12 Century Circuit
"Norwest Central"
Baulkham Hills NSW 2153
P.O. Box 8312
Baulkham Hills BC NSW 2153

PSC: Liability is limited by a Scheme approved under
Professional Standards Legislation
Telephone: 9680 8600
Facsimile: 9680 9755
Email: admin@randg.com.au

SYDNEY FLYING SQUADRON LIMITED
(ABN 70 000 487 230)
PROFIT & LOSS STATEMENT
FOR THE YEAR ENDED 31 MAY 2022

	2022	2021
	\$	\$
Trading Income		
Bar Sales	615,805	861,989
Total Trading Income	<u>615,805</u>	<u>861,989</u>
Less: Cost of Sales		
Opening Stock	26,378	30,516
Cost of Bar Sales	427,465	537,755
	<u>453,843</u>	<u>568,271</u>
Less:		
Closing Stock	(27,229)	(26,378)
Cost of Sales	<u>426,614</u>	<u>541,893</u>
Gross Profit from Trading	<u>189,191</u>	<u>320,096</u>

SYDNEY FLYING SQUADRON LIMITED

(ACN 000 487 230)

PROFIT & LOSS STATEMENT (Cont.)**FOR THE YEAR ENDED 31 MAY 2022**

	2022	2021
	\$	\$
Income		
Gross Profit from Trading	189,191	320,096
Grant/Bequests Received	6,000	10,000
Management Fees	90,000	96,000
Interest Received	3	45
Membership Fees	62,333	38,634
Government Grants – COVID-19	42,856	39,000
Ferry Ticket Sales	-	3,907
Club Events	-	17,134
Cash Flow Boost Incentive	-	18,421
Kitchen Rent	127,516	151,774
Grant and Sponsorship Received	41,000	37,445
Other Income	21,814	23,829
Total income	580,713	756,285
Expenses		
Accountancy & Bookkeeping	60,000	39,498
Administrative Fees	2,357	-
Advertising and Promotion	1,875	6,119
Audit Fees	12,000	14,300
Annual Leave	(12,571)	15,455
Bank Fees and Charges	17,736	34,807
Bar & Kitchen Requisites	-	28,941
Cleaning & Rubbish Removal	13,659	99,945
Consultants Fees	23,876	12,031
Computer	6,659	5,684
Depreciation	73,246	53,379
Electricity & Gas	9,057	71,900
Events & Functions	-	3,074
Ferry Hire	-	14,782
General	1,339	1,307
Filing Fees	914	-
Insurances	68,333	71,770
Interest	19,623	8,239
Marketing	23,809	-

SYDNEY FLYING SQUADRON LIMITED
(ACN 000 487 230)
PROFIT & LOSS STATEMENT (Cont.)
FOR THE YEAR ENDED 31 MAY 2022

	2022	2021
	\$	\$
Expenses (continued)		
Office Expenses	3,553	-
Pest Control	3,045	664
Postage	579	-
Printing & Stationery	3,188	1,273
Rates & Land Taxes	9,726	11,092
Rebate Expenses	22,655	-
Rent on Equipment, Land & Buildings & Rates	33,322	74,209
Repairs & Maintenance	60,962	51,026
Sailing Promotion & Expenses	22,380	9,994
Security	2,878	3,435
Staff Uniforms	-	5,165
Subscriptions & Licenses	5,245	6,720
Superannuation	15,847	21,100
Telephone	376	5,273
Valuation fees	7,000	-
Wages	90,577	39,192
Total Expenses	603,245	710,374
Profit/(Loss) from Ordinary Activities		
Before Income Tax	(22,532)	45,911

SYDNEY FLYING SQUADRON LIMITED
COMPILATION REPORT
FOR THE YEAR ENDED 31 MAY 2022

We have compiled the accompanying financial report of Sydney Flying Squadron Limited, which comprises the Balance Sheet as at 31 May 2022, Income Statement, Statement of Changes in Equity and Cash Flow Statements for the year then ended, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the financial report has been prepared is set out in Note 1 to the financial report.

The Directors of Sydney Flying Squadron Limited are solely responsible for the information contained in the financial report and have determined that the basis of accounting used in Note 1 to the financial report is appropriate to meet their needs and for the purpose that the financial report was prepared.

On the basis of information provided by the Directors of Sydney Flying Squadron Limited, we have compiled the accompanying financial report in accordance with the basis of accounting in Note 1 to the financial report and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Directors provided, in compiling the financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The financial report was compiled exclusively for the benefit of the Directors of Sydney Flying Squadron Limited. We do not accept responsibility to any other person for the contents of the financial report.



Sam Danieli

A D Danieli

Chartered Accountants

Dated this 11 October 2022

PATTON'S SLIPWAYS PTY LTD
(A.C.N. 000 070 271)
PROFIT & LOSS STATEMENT
FOR THE YEAR ENDED 31 MAY 2022

	2022	2021
	\$	\$
Income		
Interest Received	102	104
Rents and Outgoings Received	241,565	254,586
Total Income	241,667	254,690
Expenses		
Accounting	18,000	-
Audit Fees	3,200	1,500
Bank Fees and Charges	125	250
Consultants	3,745	1,600
Depreciation – Plant	5,031	5,557
Depreciation – Motor Boats	165	194
Filing Fees	531	528
General Expenses	612	-
Insurance	66,521	69,662
Interest	3,866	5,166
Management Fees	90,000	96,000
Rates & Land Taxes	20,948	29,555
Rent – Waterways	15,666	15,643
Registration & License Fees	5,612	5,256
Repairs & Maintenance	8,266	5,754
Subscriptions	666	-
Total Expenses	242,954	236,665
(Loss)/Profit from Ordinary Activities Before Income Tax	(1,287)	18,025
Less Income Tax Expense	(381)	-
(Loss)/Profit from Ordinary Activities After Income Tax	(1,668)	18,025

PATTON'S SLIPWAYS PTY LTD
COMPILATION REPORT
FOR THE YEAR ENDED 31 MAY 2022

We have compiled the accompanying financial report of Patton's Slipways Pty Ltd. The specific purpose for which the financial report has been prepared is set out in Note 1 to the financial report.

The Directors of Patton's Slipways Pty Ltd are solely responsible for the information contained in the financial report and have determined that the basis of accounting used in Note 1 to the financial report is appropriate to meet their needs and for the purpose that the financial report was prepared.

On the basis of information provided by the Directors of Patton's Slipways Pty Ltd, we have compiled the accompanying financial report in accordance with the basis of accounting in Note 1 to the financial report and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Directors provided, in compiling the financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The financial report was compiled exclusively for the benefit of the Directors of Patton's Slipways Pty Ltd. We do not accept responsibility to any other person for the contents of the financial report.



Sam Danieli

A D Danieli

Chartered Accountants

Dated this 11 October 2022

Registered Clubs Act Disclosures

Registered Clubs Regulations 1996 (the Regulations)

Provision of Information to Members

For the year ended 31 May 2022

Regulation 47HA(2)

- (a) The Club (Sydney Flying Squadron Limited and its controlled entity) did not receive any Declarations, returns or disclosures.
- (b) Number of Executives of the Club who received salary and allowances in excess of \$100,000.
- | Range | Number |
|-----------------------|--------|
| \$100,000 - \$110,000 | Nil |
- (c) No Board Member, Executive or other persons undertook any overseas travel connected with the Club business.
- (d) No loans were made to any employees during the year.
- (e) No contracts were entered into during the year to which Section 41 M of the Registered Clubs Act 1976 applies
- (f) No employee was a close relative of any member of the governing body of the Club or of a top executive of the Club.
- (g) Consulting fees equal to or more than \$10,000 were paid by the Club.
- (h) The total amount paid to consultants was \$23,876
- (i) No settlements of legal disputes were entered into with a member of the governing body or an employee of the club.
- (j) No legal fees were paid on behalf of a member of the governing body or an employee of the club.
- (k) Gaming machine profits from the operation of approved gaming machines in the club were \$ Nil during the reporting period ended 31 May 2022.
- (l) No amounts were applied to community development and support under Part 4 of the Gaming Machine Tax Act 2001.

Registered Clubs Act 1976

Section 41J (2)

The Core Property of the registered club is:

- the leasehold premises of the club at 76 McDougall Street, Milsons Point NSW 2061