

BELMONT 16s

SAILING



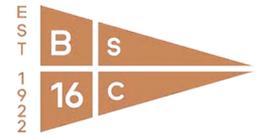
CLUB



Year Ended
31.03.2023

Belmont 16 Foot Sailing Club Limited

Annual Report



Belmont 16 Foot Sailing Club Limited

Annual Report

YEAR ENDED 31 MARCH 2023
ACN 001 020 471

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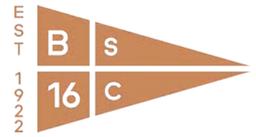
Sailing Honours

Financial Statements

The financial report was authorised for issue by the Directors on 30 May 2023.
The Company has the power to amend and re-issue the financial report.



President's Report



Belmont 16's has again enjoyed an extremely successful year in which the Club has operated in a far more stable environment without enduring lockdowns or other pandemic restrictions.

It has been a year of milestones, highlighted by the Club celebrating its Centenary in style on 7 October last year in the Spinnaker Room with a terrific night of quality food and beverage, marquee entertainment and reminiscing with many Members who have laid the foundations for the magnificent Club that we have today. We celebrated a series of Club milestones which included some amazing archival footage and was a fitting way to recognise such a significant moment in our Club's history. I encourage you to travel back in time and view some these milestone presentations by visiting our website.

The transformation of your Club is progressing well with the Centenary Project due to be completed in November. Although the project has experienced some delays due to weather, supply chain blockages and some engineering constraints, there have been only nominal cost overruns which are well within our contingency allowance. We have received much positive feedback regarding the stages that have already opened including the ground floor dining precinct and the new indoor/outdoor facility. I am confident that you will be even more impressed when you see the new first floor facilities and entry.

I fully expect that the new first floor bar and restaurant will be the jewel in the crown of our Club and possibly the region. This venue is to be named Martha and will be flooded with natural light from the massive skylights and magnificent views including both indoor and outdoor seating areas as well as a food and beverage selection that will be the envy of many. The story behind the name Martha is intriguing, as in 1800 Martha was the 30-tonne schooner that Captain William Reid accidentally sailed into what we now know as Lake Macquarie.

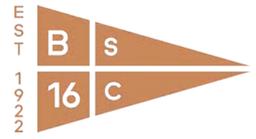
I thank our members for their understanding, patience and continued patronage through the building process. I am convinced the "short term pain" will be justified by "long term gain".

Whilst sailing is the foundation of our existence and the core objective of our Club, we are proud to be connected to our local community through a broad range of charities, not for profits and sporting groups who we continue to support. Some examples of funding we have provided in the past year including partnering with Hunter Heart Safe to install 7 x automated external defibrillators that are accessible to the public throughout eastern Lake Macquarie, further diversifying the sporting clubs we sponsor by welcoming Valentine FC, assisting Land Care to eradicate weeds at Green Point as well as the many grass roots groups we assist with fundraising through the donation of gift vouchers.

I believe that the success which the Club has enjoyed in recent times is no small part to the stability we have enjoyed at both Board and Senior Management levels. Led by our CEO Scott Williams, our staff and management team provide our members and guests with an experience second to none in our Region. Thanks also to my fellow members of our Board of Directors for their hard work and dedication to ensuring the Club's continued success.

Exciting times for the Club are just around the corner as we all look forward to enjoying the benefits of our new facilities.

David Berryman
President



Chief Executive Officer's Report

Once again it is my pleasure to present my 19th annual CEO report to our loyal Members for the year ended 31 March 2023.

As we leave the disruption associated with Covid behind us, we face other challenges such as cost of living pressures, staff shortages and internal distraction as we progress through the Centenary Project construction program. Despite these variables, our performance against a variety of benchmarks remains robust and above expectation. Financially, our after tax surplus of \$3.226M is comparable to the previous year and in excess of our forecasts, with the strength of our balance sheet enabling the Club to fund the first full year of the construction program using cash reserves.

Our Members have shown high levels of resilience over the last year, which I thank you for. The construction process has necessitated some facilities being closed, modified or relocated, not to mention the noise and inconvenience. I assure you that this disruption will be well and truly offset as the facilities gradually reopen and unlock the potential of your Club. It is important to remember that the contractors undertaking the Centenary Project are predominantly Hunter based, which helps drive our local economy and sustains employment. A special thanks head contractor Graph Building from Adamstown, and in particular Construction Manager John King and Project Manager Peter Martin for their efforts and contribution.

We are concurrently installing a mezzanine level in the existing Brian Ellis Boat Shed which will consolidate our sailing facilities on the eastern side of our site. This new facility will house our race management operations including enhanced technology, sailing administration facilities, meeting rooms for briefings and training as well as a reconfiguration of our boat racking which is required due to the growth in fleet sizes. We expect that this project will be completed in time for the start of the 2023/24 sailing season. Our brand is more than just a name and logo, a

better analogy would be that our brand is our DNA. We have been reflecting on some of the attributes that are unique to our Club and recently engaged with a variety of different stakeholders including our revered Life Members. Through this process we identified the key pillars of our brand as welcoming people, respecting legacy, inspiring excellence and sailing ahead. Keep your eyes out in the coming months for some transition in our overall branding and messaging which strikes a balance between tradition and evolution.

Beyond the facilities that we have on offer it is our staff who work together as a team to provide the interactions, understanding, engagement and smiles as they strive to achieve service excellence to make our Members experience enjoyable. I would like to pay tribute to our team and thank each of our 152 employees for their contribution to our success, especially in light of the disruption to their workplace over recent times. To our management team I would like to provide you with the accolades that you rightly deserve and applaud your achievements and dedication over the past year.

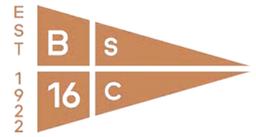
I would like to extend my sincere appreciation to President David Berryman and his fellow Directors for their professionalism, commitment and support. This group work together cohesively to focus on strategy, oversight and fulfilling their governance obligations in a dynamic environment to ensure the ongoing success of your Club.

Like any Club we would not exist without our loyal Members and I thank you for choosing Belmont 16s as your Club. We hope that the enhancement of our facilities helps provide a recurring dividend for your ongoing loyalty.

Scott Williams
Chief Executive Officer



Commodore's Report



This year Club racing was back to normal across all classes, with the skiffs enjoying average weekly fleet sizes well into the low 30's. Saturday afternoon saw consistent numbers of Cherubs, while the Laser fleet was again very strong, all very encouraging signs.

Ben Bruniges, Justin Sharrock, and Dave Hickey teamed up to claim the Lion Club Championship this year, sailing NFPG. Ross Stutchbury, Ben Pilley and Shane Burke sailed Pepsi Max to victory in the Aristocrat Yearly Pointscore. Wonderful recognition for what was a very consistent performance this season, congratulations!

On the representative stage Belmont crews performed strongly. Scott Babbage's crew sailing SKE Electrical were our highest ranked entrant finishing 4th in the 16ft Skiff Nationals. The State Titles were hosted by both St George Sailing Club and Gosford Sailing Club this season Rod Carter's crew sailing Insight Building Services were our highest ranked entrant finishing 5th overall. On the Cherub representative stage, it was Belmont's time to shine with Wangi Wangi hosting the Cherub Australian Championships. Belmont excelled with seven boats finishing in the top ten. Harden Up sailed by Banjo Nicholson and Thomas Steenson claimed victory finishing 1st overall in the Cherub Australian Championships. On a state level, Camel Toe sailed by Luke Sullivan and James Walters placed 3rd Overall in the NSW State Championships.

At the Club level, Cherub Club Champion this year was Harden Up – Banjo Nicholson and Thomas Steenson, while the Cherub Pointscore Winner was Renegade – Smith Davies and Finn Pirret. In the Lasers our Club Champion this year was Hurley – Thomas Farley and the Yearly Pointscore Champion was No Hassles – Wayne Thomas.

As always, I congratulate our various Start Crews, Rescue Boat Crews, Radio Officers, and numerous Volunteers. Without these individuals giving so freely of their time, week in and week out, our racing simply would not be possible. Thanks, must also go to our generous Sponsors, the Club, its Board of Directors, Management and Staff. We are all extremely fortunate to benefit from your support and assistance.

Finally, I would like to thank our Vice-Commodore Matthew Waters, our wonderful Sailing Committee, Administration staff Nadine Steenson and David Sullivan. Their advice and support throughout the season has been greatly appreciated, contributing to another successful and enjoyable season.

James Griffiths
Commodore

Sailing Honours 2022-2023

CLASS	BOAT	SKIPPER	CREW	TITLE
PELICANS	Donut King	Taj Waters	Spencer Beeby	Club Championship
	Kamikaze	Harry Yager	Bryce Towndrow	Yearly Point Score
FLYING 11S	Cheeky	Marshall Day	Leo Pirret	Club Championship
	Beached Az	Jayden Palmer	Harry Yager	Yearly Point Score
	Cheeky	Marshall Day	Leo Pirret	Flying 11 Australian Champions
LASERS	Hurley	Thomas Farley		Full Rig Club Championship
	No Hassles	Wayne Thomas		Full Rig Yearly Point Score
CHERUBS	Harden Up	Banjo Nicholson	Thomas Steenson	Club Championship
	Renegade	Smith Davies	Finn Pirret	Yearly Point Score
16FT SKIFFS	NFPG	Ben Bruniges	Justin Sharrock Dave Hickey	Club Championship
	Pepsi Max	Ross Stutchbury	Ben Pilley Shane Burke	Yearly Point Score



Belmont 16Ft Sailing Club Limited

ABN: 50 001 020 471

Financial Statements

For the Year Ended 31 March 2023

Belmont 16Ft Sailing Club Limited

ABN: 50 001 020 471

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Belmont 16Ft Sailing Club Limited

ABN: 50 001 020 471

Directors' Report

31 March 2023

The directors present their report on Belmont 16Ft Sailing Club Limited for the financial year ended 31 March 2023.

Directors

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

Names	Occupation	Years Service
D. Berryman	Lawyer	Club Director 1988 to date; President 2009 to date; Vice President 2005 to 2009; Commodore 1993 to 2005; Vice Commodore 1992.
J. Griffiths	General Manager	Club Director 2009 to date; Commodore 2013 to date.
M. Waters	Builder	Club Director 2013 to date; Vice Commodore 2019 to date.
R. Howard	Lawyer	Club Director 2019 to date.
C. Corke	Electrician	Club Director 2015 to date; Club Director 2001 to 2013; Vice Commodore 2005 to 2013.
A. Gray	Retired	Club Director 1999 to date.
G. Edwards	Retired	Club Director 2009 to date.
A. Benson	Retired	Club Director 2017 to date.
J. Pilgrim	Airconditioning Mechanic	Club Director 2021 to date.

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

Club Secretary

The Club Secretary is Mr Scott Williams. Mr Williams has been an employee of Belmont 16 Ft Sailing Club Limited since 11 April 2005 and was appointed to the position of Club Secretary at that date. Prior to this Mr Williams has held management positions in other large Registered Clubs in the Newcastle area.

Principal activities

The principal activity of Belmont 16Ft Sailing Club Limited during the financial year was the conduct of a Licensed Club.

No significant changes in the nature of the Club's activity occurred during the financial year.

Members' guarantee

Belmont 16Ft Sailing Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 2 (2022: \$2), subject to the provisions of the Club's constitution.

At 31 March 2023 the collective liability of members was \$ 76,614 (2022: \$78,964).

Belmont 16Ft Sailing Club Limited

ABN: 50 001 020 471

Directors' Report

31 March 2023

Operating results

The profit of the Club after providing for income tax amounted to \$ 3,226,332 (2022: \$3,122,178).

Review of operations

This year's results have been impacted by the Club's recovery since the COVID-19 lockdowns. The club was closed in the prior financial year from 5 August 2021 to 11 October 2021 and was open for the full 12 months in the current period.

Total revenues at \$ 26,524,052 increased by \$3,601,014 or 16% compared to the previous year.

Bar revenue increased by 22% and catering revenue increased by 20%.

Operating expenses at \$23,177,771 increased by \$3,755,982 or 19% compared to the previous year.

Bar expenses increased by 21%, catering expenses increased by 17% and gaming expenses increased by 24%

Meetings of directors

During the financial year, 37 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Board 12	House 10	Sailing 11	Remuneration 2	Audit & Risk 2
D. Berryman	12	8	-	2	2
J. Griffiths	8	-	10	2	-
M. Waters	10	9	10	2	-
R. Howard	12	-	9	2	1
C. Corke	11	-	11	-	-
A. Gray	12	10	-	-	2
G. Edwards	12	10	-	-	2
A. Benson	12	8	-	-	1
J. Pilgrim	11	-	10	-	-

Shaded areas show Directors who do not sit on the Sub-committee shown in the heading.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Club during the year.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Club, the results of those operations or the state of affairs of the Club in future financial years.

Environmental issues

The Club's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia. The Directors are not aware of any breaches of the legislation during the financial year which are material in nature.

Belmont 16Ft Sailing Club Limited

ABN: 50 001 020 471

Directors' Report

31 March 2023

Short and long term objectives

The Club has established short and long term objectives as outlined in the Club's business plan which is reviewed on an annual basis. These objectives are both financial and non financial and are aimed towards providing a comfortable and secure environment to its members that continues to meet their needs. These objectives are measured through both financial and non financial key performance indicators that have been determined relevant to the Club industry. No information is included on the likely developments in the operations of the Club and the expected results of those operations.

Disclosure of Core and Non-Core Property

Pursuant to Section 41J(2) of the Registered Clubs Act 1976 and for the financial year ended 31 March 2023, the Directors have determined that the property of the Club shall be classified as follows:

Address	Current Usage	Classification
38A - 54 Ross St Belmont	Belmont Club, Car Park and Boat Sheds	Core
15-19 Ross St Belmont	Investment Property	Non-Core
21 Ross St Belmont	Investment Property	Non-Core
23 Ross St Belmont	Investment Property	Non-Core
25 Ross St Belmont	Investment Property	Non-Core
27 Ross St Belmont	Investment Property	Non-Core
29 Ross St Belmont	Investment Property	Non-Core
31 Ross St Belmont	Investment Property	Non-Core
33 Ross St Belmont	Investment Property	Non-Core
35 Ross St Belmont	Investment Property	Non-Core
37 Ross St Belmont	Investment Property	Non-Core
3 The Parade Belmont	Investment Property	Non-Core
90 Evans St Belmont	Investment Property	Non-Core
92 Evans St Belmont	Investment Property	Non-Core
94 Evans St Belmont	Investment Property	Non-Core

Mandatory Director Training

Under the Registered Clubs Amendment (Disclosures) Regulation 2019, the Club is required to disclose to its members certain information relating to mandatory training requirements undertaken by Directors. As the Club has annual gaming machine profits of greater than \$1 million, the Regulation prescribes that all Directors must complete their mandatory training within 12 months of appointment unless otherwise exempt. The Club has complied with the minimum requirements as outlined below:

Directors Training Completed

M. Waters
C. Corke
A. Benson
R. Howard
J. Pilgrim
G. Edwards

Exempt Directors

D Berryman
J. Griffiths
A. Gray

Belmont 16Ft Sailing Club Limited

ABN: 50 001 020 471

Directors' Report

31 March 2023

Indemnification and insurance of officers and auditors

The Club has paid premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Club, other than conduct involving a wilful breach of duty in relation to the Club.

Under Clause 99 of the Club's Constitution the Club also indemnifies every officer, secretary and auditor of the Club out of assets of the Club against liability arising out of the execution of the duties of their office which is incurred by them in defending proceedings, whether civil or criminal in which judgement is given in their favour or which they are acquitted or in connection with any application under the Act in which relief is granted to them by the Court in respect of any negligence default of duty or breach of trust.

Proceedings on behalf of company

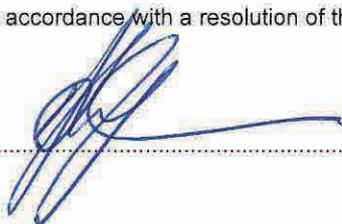
No Director has applied for leave of court under Section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Club or intervene in any proceedings to which the Club is a party for the purpose of taking responsibility on behalf of the Club for all or any part of those proceedings.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 March 2023 has been received and can be found on page 5 of the financial report.

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

Director:



Director:



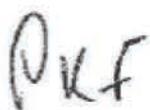
Dated 30 May 2023

Belmont 16Ft Sailing Club Limited

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Belmont 16Ft Sailing Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 March 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.



PKF



CLAYTON HICKEY
PARTNER

30 MAY 2023
NEWCASTLE, NSW

PKF (NS) Audit & Assurance Limited Partnership
ABN 91 850 861 839

Liability limited by a scheme approved
under Professional Standards Legislation

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PKF (NS) Audit & Assurance Limited Partnership is a member firm of the PKF International Limited family of separately owned firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

For our office locations visit www.pkf.com.au

Belmont 16Ft Sailing Club Limited

ABN: 50 001 020 471

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 March 2023

		2023	2022
	Note	\$	\$
Sale of goods	4	7,955,998	6,602,720
Cost of sales		<u>(3,020,058)</u>	<u>(2,399,910)</u>
Gross profit		4,935,940	4,202,810
Fair value adjustments	4	220,000	1,340,000
Other revenue from contracts with customers	4	17,456,031	13,858,932
Other revenue from ordinary activities	4	477,602	519,181
Other revenue from non-ordinary activities	4	203,140	574,416
Finance income	5	195,270	27,789
Borrowing cost expenses	5	(239,947)	(141,695)
Bar trading expenses		(1,432,133)	(1,163,563)
Gaming machine trading expenses		(1,513,544)	(1,198,148)
Gaming machine duty		(3,867,145)	(2,941,499)
Gaming commission expenses		(40,376)	(29,326)
Catering trading expenses		(2,979,799)	(2,553,393)
Occupancy expenses		(1,339,255)	(1,214,573)
Raffle and bingo expenses		(536,515)	(452,079)
Club promotion and entertainment expenses		(941,169)	(589,711)
Depreciation and amortisation expense		(2,245,531)	(2,585,490)
Administrative expenses		(4,249,875)	(3,632,326)
Sailing expenses		(772,424)	(486,770)
Profit/(loss) on disposal of fixed assets		<u>16,011</u>	<u>(33,306)</u>
Profit before income tax		3,346,281	3,501,249
Income tax expense	6	<u>(119,949)</u>	<u>(379,071)</u>
Profit for the year		<u>3,226,332</u>	<u>3,122,178</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>3,226,332</u>	<u>3,122,178</u>

The accompanying notes form part of these financial statements.

Belmont 16Ft Sailing Club Limited

ABN: 50 001 020 471

Statement of Financial Position

As At 31 March 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	5,687,133	11,814,892
Trade and other receivables	8	481,384	190,928
Inventories	9	154,126	190,226
Other assets	10	762,076	780,594
TOTAL CURRENT ASSETS		7,084,719	12,976,640
NON-CURRENT ASSETS			
Property, plant and equipment	12	33,710,905	25,137,096
Investment properties	11	10,220,000	10,000,000
Deferred tax assets	24	140,731	142,406
Right-of-use assets	13	1,212,997	1,175,236
TOTAL NON-CURRENT ASSETS		45,284,633	36,454,738
TOTAL ASSETS		52,369,352	49,431,378
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	1,958,631	2,274,050
Other liabilities	15	263,085	265,583
Borrowings	16	186,852	175,233
Employee benefits	18	1,000,410	965,646
Short-term provisions	17	22,191	41,484
Lease liabilities	13	8,197	7,469
TOTAL CURRENT LIABILITIES		3,439,366	3,729,465
NON-CURRENT LIABILITIES			
Borrowings	16	3,025,576	3,189,885
Deferred tax liabilities	24	1,204,014	1,085,740
Lease liabilities	13	1,234,351	1,180,263
Employee benefits	18	108,585	114,897
TOTAL NON-CURRENT LIABILITIES		5,572,526	5,570,785
TOTAL LIABILITIES		9,011,892	9,300,250
NET ASSETS		43,357,460	40,131,128
EQUITY			
Retained earnings		43,357,460	40,131,128
TOTAL EQUITY		43,357,460	40,131,128

The accompanying notes form part of these financial statements.

Belmont 16Ft Sailing Club Limited

ABN: 50 001 020 471

Statement of Changes in Equity For the Year Ended 31 March 2023

2023

	Retained Earnings	Total
	\$	\$
Balance at 1 April 2022	40,131,128	40,131,128
Profit attributable to members	3,226,332	3,226,332
Balance at 31 March 2023	<u>43,357,460</u>	<u>43,357,460</u>

2022

Balance at 1 April 2021	37,008,950	37,008,950
Profit attributable to members	3,122,178	3,122,178
Balance at 31 March 2022	<u>40,131,128</u>	<u>40,131,128</u>

The accompanying notes form part of these financial statements.

Belmont 16Ft Sailing Club Limited

ABN: 50 001 020 471

Statement of Cash Flows For the Year Ended 31 March 2023

	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	25,746,425	24,337,715
State Government JobSaver income	-	574,416
Interest received	195,270	27,789
Payments to suppliers and employees	(20,890,541)	(20,191,262)
Interest paid	(203,458)	(141,695)
Net cash (used in)/provided by operating activities	<u>4,847,696</u>	<u>4,606,963</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of property, plant and equipment	131,038	181,640
Purchase of property, plant and equipment	(10,909,548)	(2,507,654)
Net cash provided by/(used in) investing activities	<u>(10,778,510)</u>	<u>(2,326,014)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(152,690)	(1,066,007)
Repayment of leases	(44,255)	(48,165)
Net cash provided by/(used in) financing activities	<u>(196,945)</u>	<u>(1,114,172)</u>
Net increase in cash and cash equivalents held	(6,127,759)	1,166,777
Cash and cash equivalents at beginning of year	11,814,892	10,648,115
Cash and cash equivalents at end of financial year	<u>7 5,687,133</u>	<u>11,814,892</u>

The accompanying notes form part of these financial statements.

Belmont 16Ft Sailing Club Limited

ABN: 50 001 020 471

Notes to the Financial Statements

For the Year Ended 31 March 2023

The financial report covers Belmont 16Ft Sailing Club Limited as an individual entity. Belmont 16Ft Sailing Club Limited is a not-for-profit Club limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Belmont 16Ft Sailing Club Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 30 May 2023.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Income tax

The income tax expense / (revenue) for the year comprises current income tax expense (income) and deferred tax expense / (benefit).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting year. Current tax liabilities / (assets) are therefore measured at the amounts expected to be paid to / (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense / (benefit) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. 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 assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting year. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Notes to the Financial Statements

For the Year Ended 31 March 2023

2 Summary of Significant Accounting Policies (continued)

(b) Inventories

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

(c) 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.

Property

Land and buildings are measured at cost less accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured using the cost basis. Cost includes expenditure that is directly attributable to the asset.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Club commencing from the time the asset is held ready for use. Land is not depreciated.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2.5% - 50%
Plant and Equipment	9% - 50%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

(d) Impairment of non-financial assets

At the end of each reporting period, the Club assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Notes to the Financial Statements

For the Year Ended 31 March 2023

2 Summary of Significant Accounting Policies (continued)

(e) Employee benefits

Provision is made for the Club's liability for employee benefits arising from services rendered by employees to the end of the reporting period. 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. Employee benefits payable later than one year have been measured at their present value.

The Club does not contribute to a defined benefits scheme and therefore has no liability at balance date.

Contributions are made by the Club to employee superannuation funds and are charged to expenses when incurred.

(f) Cash and cash equivalents

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

(g) Financial instruments

Financial instruments are recognised initially on the date that the Club becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Club classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Club changes its business model for managing financial assets.

Amortised cost

The Club's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Notes to the Financial Statements For the Year Ended 31 March 2023

2 Summary of Significant Accounting Policies (continued)

(g) Financial instruments (continued)

Financial assets (continued)

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Club considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Club's historical experience and informed credit assessment and including forward looking information.

The Club uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Club uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Club in full, without recourse to the Club to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Club in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Club has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Club renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Notes to the Financial Statements

For the Year Ended 31 March 2023

2 Summary of Significant Accounting Policies (continued)

(g) Financial instruments (continued)

Financial assets (continued)

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Club measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Club comprise trade payables, bank and other loans and lease liabilities.

(h) Gaming Machine Rebate

The Club received a rebate to compensate the loss of gaming machine income due to the introduction of GST. The period which the rebate relates to is from 1 June 2022 to 31 May 2023. Income has been recorded in the accounts for the 10 months to 31 March 2022 with the remainder being recorded as a liability. The current liability represents income which will be taken up in the succeeding financial year.

(i) Investment property

Investment properties, comprising rental properties, are held to generate long term rental yields. All tenant leases are on an arm's length basis. Investment property is carried at fair value. Changes to value are to be recorded in the statement of profit or loss and other comprehensive income as other income.

(j) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Club expects to receive in exchange for those goods or services.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Club have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Notes to the Financial Statements

For the Year Ended 31 March 2023

2 Summary of Significant Accounting Policies (continued)

(j) Revenue and other income (continued)

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Club are:

Revenue from contracts with customers

Revenue from the sale of goods is recognised at the point of delivery.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Gaming machine revenue is recognised at the point of sale and represents the difference between the amounts earned through gaming wagers less the payouts from those wagers. Liabilities are recognised for anticipated payouts for progressive jackpots.

Revenue from membership subscriptions and sailing fees are recognised on a straight-line basis over the financial year.

Interest revenue

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).

Other income

Other income is recognised on an accruals basis when the Club is entitled to it.

(k) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). 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 payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(l) Leases

At inception of a contract, the Club assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Club where the Club is lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Notes to the Financial Statements

For the Year Ended 31 March 2023

2 Summary of Significant Accounting Policies (continued)

(l) Leases (continued)

Initially the lease liability is measured at the present value of lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Club uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- lease payments under extension options if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated amortisation and impairment losses.

Right-of-use assets are amortised over the lease term or useful life of the underlying asset, whichever is the shortest.

(m) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a asset 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.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(n) Provisions

Provisions are recognised when the Club has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of profit or loss and other comprehensive income.

Notes to the Financial Statements

For the Year Ended 31 March 2023

2 Summary of Significant Accounting Policies (continued)

(o) New accounting standards and interpretations adopted in the current period

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

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

These standards and Interpretations did not have any material impact on these financial statements.

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

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Club has adopted the revised Conceptual Framework from 1 April 2022. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Club's financial statements.

AASB 1060 General Purpose Financial Statements Simplified Disclosures ForProfit and NotForProfit Tier 2 Entities.

The Club has adopted AASB 1060 from 1 April 2022. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements for IFRS for SME's. As a result, there is increased disclosure in these financial statements for key management personnel and related parties.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Club assesses impairment at the end of each reporting period by evaluating conditions specific to the Club that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Belmont 16Ft Sailing Club Limited

ABN: 50 001 020 471

Notes to the Financial Statements For the Year Ended 31 March 2023

4 Revenue and Other Income

Revenue from continuing operations

	2023	2022
	\$	\$
- Revenue from contracts with customers	25,412,029	20,461,652
- Other revenue from ordinary activities	477,602	519,181
- Fair value adjustments	220,000	1,340,000
	<u>26,109,631</u>	<u>22,320,833</u>

Other revenue from non-ordinary activities

- Bequests	203,140	-
- State Government JobSaver income	-	574,416
	<u>-</u>	<u>574,416</u>

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated and the following table shows this breakdown:

Timing of revenue recognition

- At a point in time	25,615,169	20,461,652
- Over time	-	-
	<u>25,615,169</u>	<u>20,461,652</u>

5 Finance Income and Expenses

Finance income

Interest income

- Assets measured at amortised cost	195,270	27,789
	<u>195,270</u>	<u>27,789</u>

Finance expenses

Interest expense

	239,947	141,695
	<u>239,947</u>	<u>141,695</u>

Belmont 16Ft Sailing Club Limited

ABN: 50 001 020 471

Notes to the Financial Statements

For the Year Ended 31 March 2023

6 Income Tax Expense

The income tax reflected in the accounts is the amount calculated to be payable based on a formula determined by the Australian Taxation Office and after allowing for the fact that many items of income and expenditure relate to Members' trading and are accordingly neither assessable nor deductible.

	2023	2022
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2022: 25)	836,570	875,312
Add(less):		
Tax effect of:		
- net adjustment for principle of mutuality apportionment of members income and expenses	(716,561)	(557,233)
- tax losses not brought to account	-	100,360
- adjustment for change in tax rate	-	(52,402)
- (over)/underprovision in prior year	(60)	13,034
Income tax expense	<u>119,949</u>	<u>379,071</u>
7 Cash and Cash Equivalents		
Cash at bank and in hand	765,677	4,814,892
Short-term bank deposits	4,921,456	7,000,000
	<u>5,687,133</u>	<u>11,814,892</u>
8 Trade and Other Receivables		
CURRENT		
Trade receivables	236,234	183,271
GST receivable	198,643	-
Other receivables	46,507	7,657
	<u>481,384</u>	<u>190,928</u>
9 Inventories		
CURRENT		
At cost:		
Trading stock	154,126	190,226
10 Other Assets		
CURRENT		
Prepayments	762,076	780,594

Belmont 16Ft Sailing Club Limited

ABN: 50 001 020 471

Notes to the Financial Statements For the Year Ended 31 March 2023

11 Investment Property

	2023	2022
	\$	\$
Balance at beginning of year	10,000,000	8,660,000
Fair value adjustment	220,000	1,340,000
Balance at end of year	10,220,000	10,000,000

Investment properties are stated at fair value, which has been determined based on valuations performed by Altitude Belmont as at 31 March 2023 and 31 March 2022 for the current and prior year respectively.

12 Property, Plant and Equipment

Land and buildings		
At cost	27,865,887	27,712,849
Accumulated depreciation	(9,418,431)	(8,937,375)
Total land and buildings	18,447,456	18,775,474
Capital works in progress		
At cost	8,705,196	796,590
Plant and equipment		
At cost	15,672,442	14,241,891
Accumulated depreciation	(9,114,189)	(8,676,859)
Total plant and equipment	6,558,253	5,565,032
Total property, plant and equipment	33,710,905	25,137,096

(a) Movements in carrying amounts

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

	Capital Works in Progress	Land and Buildings	Plant and Equipment	Total
	\$	\$	\$	\$
Year ended 31 March 2023				
Balance at the beginning of year	796,590	18,775,474	5,565,032	25,137,096
Additions	7,908,606	319,839	2,681,108	10,909,553
Disposals	-	(44,228)	(70,801)	(115,029)
Depreciation expense	-	(603,629)	(1,617,086)	(2,220,715)
Balance at the end of the year	8,705,196	18,447,456	6,558,253	33,710,905

Belmont 16Ft Sailing Club Limited

ABN: 50 001 020 471

Notes to the Financial Statements For the Year Ended 31 March 2023

12 Property, Plant and Equipment (continued)

(b) Core & non-core property

As required by the Registered Clubs Act 1976 all Clubs are required to specify core and non-core property of the Club. As at 31 March 2023 the balance shown above in Land and Buildings includes both core and non-core property. The entire balance shown in note 11 is non-core property. For further disclosure of core and non-core property refer to page 3 of the Financial Report.

13 Leases

Club as a lessee

The Club is a lessee of Crown Lands comprised of Lot 2028 in Deposited Plan 823177 also known as Belmont 16s, The Parade, Belmont, NSW, 2280.

Right-of-use assets

Year ended 31 March 2023

	Buildings \$
Balance at beginning of year	1,175,236
Depreciation charge	(24,821)
Additions to right-of-use assets	62,582
Balance at end of year	1,212,997

Lease liabilities

	2023 \$	2022 \$
Non-current Lease liabilities	1,234,351	1,180,263
Current Lease liabilities	8,197	7,469
	1,242,548	1,187,732

14 Trade and Other Payables

CURRENT

Trade payables	1,129,377	1,264,943
Deposits	21,667	147,804
Sundry payables and accrued expenses	509,796	418,343
GST payable	-	114,284
Gaming machine duty tax	297,791	328,676
	1,958,631	2,274,050

Belmont 16Ft Sailing Club Limited

ABN: 50 001 020 471

Notes to the Financial Statements

For the Year Ended 31 March 2023

15 Other Liabilities

	2023	2022
	\$	\$
CURRENT		
Members subscriptions in advance	260,222	262,720
Gaming tax rebate in advance	2,863	2,863
	<u>263,085</u>	<u>265,583</u>

16 Borrowings

CURRENT		
Secured liabilities:		
Loans	<u>186,852</u>	<u>175,233</u>
NON-CURRENT		
Secured liabilities:		
Loans	<u>3,025,576</u>	<u>3,189,885</u>

(a) Security

The bank overdraft, loans and commercial bills are secured by:

(i) Registered first mortgage over freehold properties owned by the Club;

- 15-19, 21, 23, 25, 27, 29, 31, 33, 35, 37 Ross Street Belmont NSW 2280
- 90, 92, 94 Evans Street Belmont NSW 2280

(ii) Registered equitable mortgage over assets;

- All the Club's assets including liquor and gaming machine licences
- Property 36, 38-44, 46-54 Ross Street, Belmont NSW 2280

(b) Unrestricted access was available at balance date to the following additional lines of credit:

Bank overdraft facility available	<u>200,000</u>	<u>200,000</u>
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Belmont 16Ft Sailing Club Limited

ABN: 50 001 020 471

Notes to the Financial Statements

For the Year Ended 31 March 2023

17 Provisions

	2023	2022
	\$	\$
CURRENT		
Provision for ClubGRANTS	22,191	41,484

Provision for ClubGRANTS category 1

A provision has been recognised for estimated ClubGRANTS Category 1. This provision has been based on gaming machine net revenue from September 2022 to March 2023, less any amount already expended during that period. The Club is required to account for this expenditure for the period ending August each year.

18 Employee Benefits

CURRENT		
Long service leave	515,296	447,425
Annual leave	485,114	518,221
	<u>1,000,410</u>	<u>965,646</u>
NON-CURRENT		
Long service leave	<u>108,585</u>	<u>114,897</u>

A provision has been recognised for employee entitlements relating to annual and long service leave for employees. Long service leave has been calculated based on nominal amounts rather than present values, as the carrying amount is immaterial when compared to net assets.

19 Contingencies

Belmont 16 Ft Sailing Club Limited has bank guarantees totaling \$39,500 substituting for security deposits with Department of Lands, Tabcorp Holdings Pty Limited and the State of New South Wales.

20 Related Parties

(a) The Club's main related parties are as follows:

Key management personnel - refer to Note 25.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

Belmont 16Ft Sailing Club Limited

ABN: 50 001 020 471

Notes to the Financial Statements

For the Year Ended 31 March 2023

20 Related Parties (continued)

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

Certain Directors and Directors' related persons participate in the Club sailing activities and receive prizes under the same terms and conditions attached to sailing events as other sailing members.

21 Capital Commitments

	2023	2022
	\$	\$
Capital expenditure commitments contracted for:		
Centenary project	7,903,709	15,304,046

22 Financial Risk Management

Financial assets

Held at amortised cost

Cash and cash equivalents	5,687,133	11,814,892
Trade and other receivables	481,384	190,928

Total financial assets

6,168,517 12,005,820

Financial liabilities

Held at amortised cost

Trade and other payables	1,958,631	2,274,050
Borrowings	3,212,428	3,365,118

Total financial liabilities

5,171,059 5,639,168

23 Members' Guarantee

The Club is incorporated under the *Corporations Act 2001* and is a Club limited by guarantee. If the Club is wound up, the constitution states that each member is required to contribute a maximum of \$ 2 each towards meeting any outstanding obligations of the Club. At 31 March 2023 the number of members was 38,307 (2022: 39,482).

Belmont 16Ft Sailing Club Limited

ABN: 50 001 020 471

Notes to the Financial Statements For the Year Ended 31 March 2023

24 Tax Assets and Liabilities

	2023	2022
	\$	\$
Deferred tax assets	140,731	142,406
Deferred tax liabilities	1,204,014	1,085,740

The Club has \$1,747,593 (2022: \$1,797,275) of income tax losses that are available indefinitely for offset against future taxable profits. A portion of this balance, \$307,499 (2022: \$357,187) forms part of the deferred tax asset balance in the current and prior periods. The remaining \$1,440,094 (2022: \$1,440,088) have not been brought to account at balance date.

25 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Club is \$ 586,973 (2022: \$ 518,868).

26 Auditors' Remuneration

Remuneration of the auditor PKF, for:

- auditing or reviewing the financial statements	25,000	-
- other services	1,750	-
	<u>26,750</u>	<u>-</u>

27 Events After the End of the Reporting Period

The financial report was authorised for issue on 30 May 2023 by the Board of Directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Club, the results of those operations or the state of affairs of the Club in future financial years.

28 Statutory Information

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

Belmont 16Ft Sailing Club Limited
CNR Ross Street
The Parade
Belmont NSW 2280

Belmont 16Ft Sailing Club Limited

ABN: 50 001 020 471

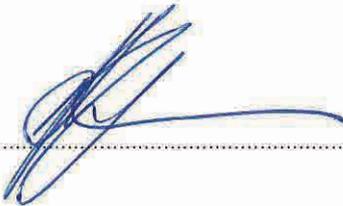
Directors' Declaration

The directors of the Club declare that:

1. The financial statements and notes, as set out on pages 6 to 25, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosure Standard; and
 - b. give a true and fair view of the financial position as at 31 March 2023 and of the performance for the year ended on that date of the Club.
2. In the directors' opinion, there are reasonable grounds to believe that the Club 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



Director



Dated 30 May 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BELMONT 16FT SAILING CLUB

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Belmont 16FT Sailing Club (the Club), which comprises the statement of financial position as at 31 March 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by directors.

In our opinion, the accompanying financial report presents fairly, gives a true and fair view of the financial position of the Club as at 31 March 2023, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

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

Independence

We are independent of the Club in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

Directors are responsible for the other information. The other information comprises the information included in the Club's annual report for the year ended 31 March 2023 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

PKF (NS) Audit & Assurance Limited Partnership
ABN 91 850 861 839

Liability limited by a scheme approved
under Professional Standards Legislation

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PKF (NS) Audit & Assurance Limited Partnership is a member firm of the PKF International Limited family of separately owned firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

For our office locations visit www.pkf.com.au

Responsibilities of Management and Directors for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards¹, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Club's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Club or to cease operations, or has no realistic alternative but to do so.

Directors are responsible for overseeing the Club's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

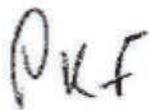
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Club's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Club to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

We communicate with directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



PKF



CLAYTON HICKEY
PARTNER

30 MAY 2023
NEWCASTLE, NSW