



MIDDLE HARBOUR YACHT CLUB

ANNUAL REPORT
2021/2022

OUR VISION

To create a Club that has a sustainable future, is financially strong and is the destination of choice for members and guests both on and off the water.

OUR MISSION

Capitalise on the Club's unique location and its core commitment to sailing and boating to encourage greater member and guest patronage.

Continue to provide and improve the marina and clubhouse facilities and associated hospitality and community based services to promote a family friendly environment and increase the participation of members and guests in all facets of the Club's activities.



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DIRECTORS, OFFICERS AND MANAGEMENT

BOARD OF DIRECTORS

The Directors of the company at the date of this report are:

Robin Aldis	Chairman
Peter Lewis	Commodore
Neil Drabsch	
Shaun Lane	
Philip Clinton	
Nicola Morgan	
Edith Hurt	
Laurie McAllister	
Quentin Stewart	

FLAG OFFICERS

Peter Lewis	Commodore
Geoff Charters	Vice Commodore Racing
Evan Hodge	Vice Commodore Cruising
Robert Sangster	Vice Commodore Youth Sailing
Karen Ewels	Club Captain

MANAGEMENT

Mark Maybury	CEO/Club Secretary
Bruce Aitken	Finance Manager/Company Secretary
David Staley	Sailing Manager
Andrew Forbes	Marina Manager

COMPANY DETAILS

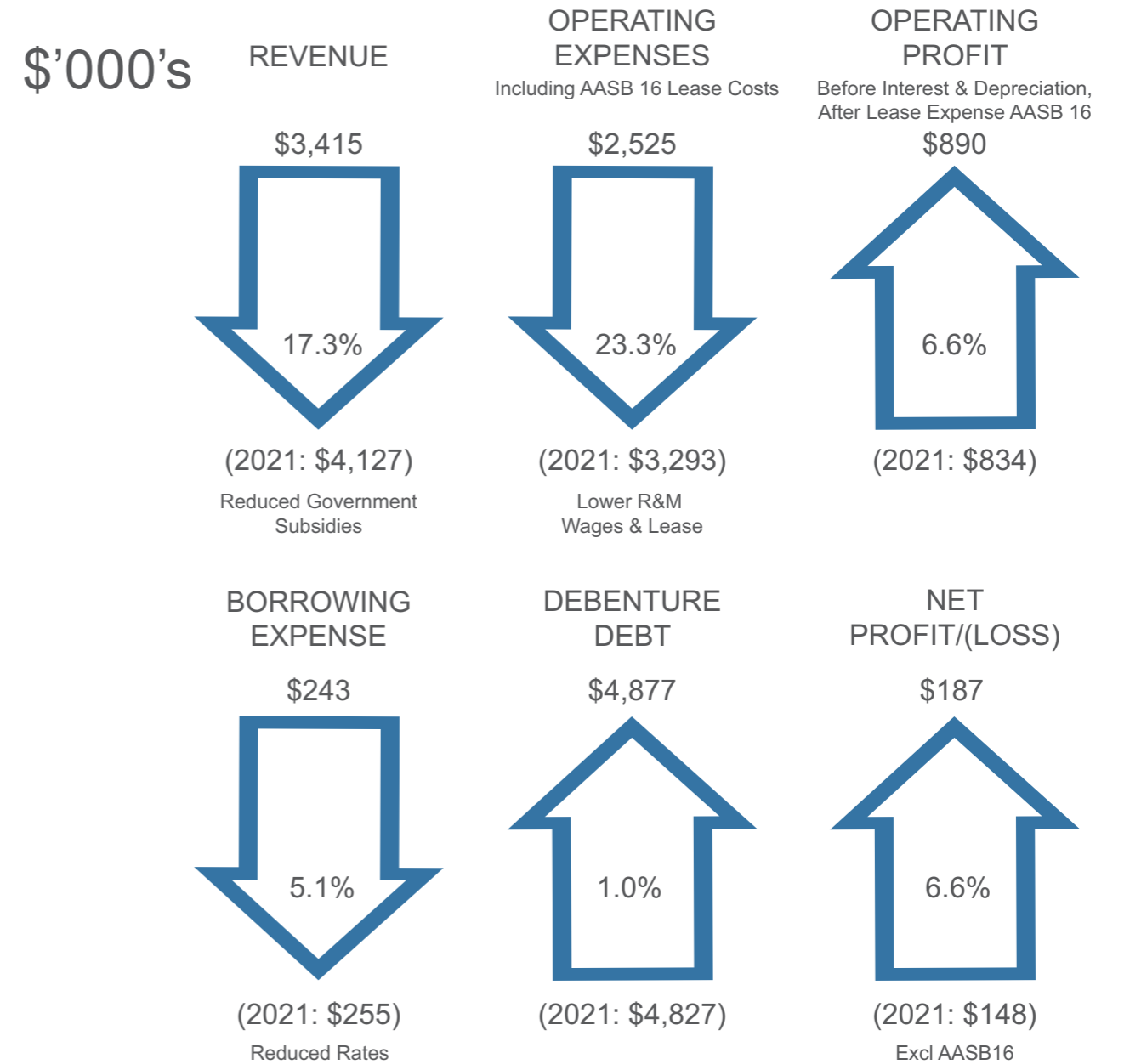
Middle Harbour Yacht Club Limited
 (A Company limited by guarantee)
 ACN 000 248 877; ABN 95 000 248 877
 Lower Parriwi Road, Mosman NSW 2088
 Phone: 02 9969 1244 | Web: www.mhyc.com.au

AUDITORS

PKF Chartered Accountants
 Level 8, 1 O'Connell Street Sydney NSW 2000



FINANCIAL HIGHLIGHTS





**ROB ALDIS
CHAIRMAN**

CHAIRMAN'S REPORT

The 2021/22 financial year I am pleased to report was in summary a successful one. We achieved many of our objectives despite the COVID disruptions and member services and activities started to return to normal. With the continued support of our members, staff, and the state governments financial support program we ended the year in a reasonable financial situation. The COVID shackles were removed from our sailing schedule in October 2021 which saw the Club able to return to its sailing program and deliver our major regattas SSORC and SHR.

It is pleasing to report we successfully completed a number of our major work programmes costing approximately \$1M last year. The A-Arm refurbishment and replacement of walkways were completed within budget, and we developed and implemented a master plan for relocating and updating commercial tenancies to increase revenue and provide additional sail storage facilities. We completed the construction of the Sandbar stages 1 & 2 ready for the summer season providing a facility that now takes full advantage of its proximity to the beach and invites the northern sun into the café area. We also completed arrangements for a new tenant to operate the Sandbar, effective from 1 June arrangements that will see, improved décor and F&B services for members and guests, ready for the season opening in September 2022.

As a Club we depend on and receive tremendous support from our members who volunteer their services, put considerable time and effort into supporting the running of the Club's activities, supporting management, the board, and the Flags. In particular, members donated \$134,115 to assist the new Sandbar development. Thank you sincerely for your continued support and patronage including financial support through membership renewal and donations. A special thanks and acknowledgement to Mark Maybury and the experienced team who managed the Club throughout the year.

On a sad note, our long serving marina manager Matthew (Matt) Pyne lost his battle with cancer. Multi tasked, always willing to help with a smile on his face. Missed by all.

Financial Results

It is pleasing to report that the operating profit before depreciation, interest expense donations, and grants was \$1,019,678 up 4% compared with \$979,253 last year. Revenue from our main operations excluding government subsidies and donations was \$3,007,757, down 7% compared with last year mainly due to reduced sailing and youth sailing fees. Membership subscriptions were down slightly to \$336,650 which given to effects of COVID was a pleasing result.

Revenue benefitted from the state government subsidies under the COVID-19 programmes for JobSaver and business grants. The government grants enabled the Club to retain and support staff and assisted the Club to remain open within government guidelines. Total government cash subsidies for the period was \$195,437 compared with \$755,957 last year. Statutory net profit for the year was \$130,054.

The MHYC Foundation Trust provided \$118,000 in total grants to the Club, funded by members donations to the Foundation to assist the improving the Clubhouse, in particular the Sandbar development and supporting youth sailing activities. A more detailed report for the Foundation is included within the annual report.

Net revenue from the marina was stable providing over \$1 million in cash operating profit. Marina berths were at near full capacity throughout the year, again assisting the Club's financial performance.

Operating expenses were carefully managed throughout the year within our budget and reduced where possible consistent with lower revenue streams due to COVID. In accordance with the state and federal governments regulations and guidelines on commercial leases, we provided our tenants rental relief through lower rents, most of which was ultimately refunded through a rent abatement agreement with our landlord, Transport for NSW.

Cash flow from operations was \$404,767 (2021, \$1,022,072), the difference due to government subsidies. Cash on hand at the end of the financial year was \$639,197.

The debenture debt is \$4,877,500 an increase of \$50,000 from the balance at the end of last year. Members strongly supported the debenture programme with \$1,050,000 rolled over during the year. Interest on the debenture debt was \$242,807 lower compared with last year reflecting an overall lower average interest rate of 4.9% (2021, 5.3%). There remains a moratorium on debenture debt reduction until the major works programme under the Club master plan is complete.

Net assets of the Club at year end was \$9,878,714 (2021: \$6,682,551), the increase mainly due to the revaluation of the marina and leasehold property.

Corporate Governance

Our board is comprised of members with the experience and ability to be effective and add value to the Club with an aim to develop a culture of acting ethically and responsibly, to recognise and manage risks, respect the rights of our stakeholders and ensure integrity in our reporting. We have several committees to assist management and the board in managing the business and overseeing supervision of the operations and assets of the Club. The committees include the Sailing Committee, Marina Committee, Finance & Risk Committee, and the Clubhouse Committee. These are joined by a number of sub-committees, comprised of members who provide many hours of service which is greatly appreciated.

Outlook

Having achieved several major goals over the past two years, there is still work to be done to ensure we improve member amenities and club services.

The board and management have developed plans to ensure we capitalise on the Club's unique location and its core commitment to sailing and boating to encourage greater member and guest patronage. To achieve this, our plans include management undertaking the following major actions:

- Implement the lease of the Sandbar and Quarterdeck to an experienced operator to upgrade the café, décor, kitchen, and surrounds and provide top quality F&B services that will be attractive to members, guests, and the public. Target opening for the coming sailing season.
- Implement the next stage of our master plan to fully utilise the Club's property, maximize the space available for commercial tenancies, relocate administrative offices.
- Construct a high quality members only lounge area for socialising.
- Work to maximise interest in the Club's sailing events, encouraging a broader range of participants and events including feature events for One Design classes.
- Develop plans for possible extension of the marina.
- Undertake necessary work to repair the rigging deck and marina entrance.

We remain optimistic we can achieve the foregoing and have developed our budget for next year and expect planned cash flows, without additional borrowings, will achieve this objective.

Peter Lewis, our Commodore for the past 5 years will retire from the role at the forthcoming AGM. His service and dedication to role has been outstanding, working tirelessly within the Club and the broader sailing market and with other sailing club Commodores to promote the MHYC and sailing activities generally. On behalf of all members, I sincerely thank him for his service to the Club and am pleased that Peter will continue as a director on the MHYC board.

My thanks to the board members, members of the various committees, Flag officers and the many member who provide their services voluntarily spending many hours looking after the interests of our members and the Club generally. A special thank you to our small but dedicated staff for all their work during the year.





PETER LEWIS
COMMODORE

COMMODORE'S REPORT

It is with mixed emotions that I tender my final Commodore's report, reminiscing on the many enjoyable times with fellow members sailing and socialising and recalling some of the tough times we all experienced at the Club dealing with storm damage, a major fire, and recently Covid. The Club has faced these perils and has come out stronger while building for the future.

Our sailing programmes and events are top class, the Club's finances are in good shape, and we have achieved substantial progress in improving our property and amenities for members. The new Sandbar and other renovations form the basis of further growth and development planned by the board. Consistent with our strategic plan the board is investing for the future, undertaking major renovations and upgrades to our marina and buildings, managing debt and maximising cash flow so that member benefits and the Club's resilience are improved. To this end, the final stage of the Sandbar, Quarterdeck, and associated amenities will be developed over the winter, ready for next year's season-opening. I look forward to seeing this progress into next year with exciting new facilities, food offerings and décor throughout several areas of the Club.

The 2021/22 sailing year was a stop-start affair dominated by weather and Covid. This affected the ability to adequately plan sailing events and functions. The membership committee organised several events with the aim to complete all events but be prepared to cancel or reschedule if need be. Unfortunately, this turned out to be the case in many instances. Despite this frustration, Karen Ewels, our intrepid Club Captain and the team are planning for all events to take place from here on in. The disruptions to Club activity, although frustrating have not dampened the Club spirit.

In a similar fashion Geoff Charters, our Vice Commodore Racing, and the sailing committee have managed similar issues. Notwithstanding this, we had a very successful SSORC Regatta and Sydney Harbour Regatta. Thank you to Ian Box and the special events committee. The challenge for our sailing group is to get the balance right in the sailing calendar to meet the changing needs in sailing. Our Cruising Division continues to grow. This group is a leader in organising events, talks and training programs. I would like to thank Evan Hodge, ably assisted by his partner Kelly who are stepping down this year.

I am pleased to report that our One-design fleets continued to produce some wonderful regattas throughout the year. The MC 38's, Farr 40's, and Adams 10's are a special part of our Club.

Junior and centerboard sailing continued strongly through the year. Rob Sangster our VC Junior Sailing, is reviewing all aspects of youth sailing and we look to a strong future. In particular, our Schools programs and Learn to Sail programs have continued to grow.

Sadly, I report the loss of some wonderful members and contributors to the Club. We will remember them and respect their individual contributions to the Club. Our history is important, as it defines the spirit of Middle Harbour that we celebrate and enjoy.

In closing thank you to Mark Maybury and the staff for your continued support. Thank you to the flag officers for your selfless efforts. Thank you to the board for the vision and leadership. Thank you to our members for your support and enthusiasm. To the committees thank you for your diligence. To our volunteers, thank you for everything you do, on, and off the water. This Club is a special place, and it has been a privilege to serve as Commodore. The Club is well set and sailing well, I know our new Commodore can rest easy as he takes over the helm.

Fair winds and good sailing to all.

Yours in sailing,
Peter Lewis (Commodore)

SYDNEY HARBOUR REGATTA

The Sydney Harbour Regatta, held in March each year is Sydney's premier yacht racing event - the biggest event of its kind in New South Wales and one of the largest competitive keelboat regattas in Australia. It is also one of the highlights of Middle Harbour Yacht Club's sailing calendar.

First held in 1996, the event has grown to become the strongest competitive sailing regatta since the 2000 Sydney Olympics.

This year the Regatta was held on the weekend of March 5-6. A slightly reduced fleet of 155 boats across 12 diverse classes & divisions took part in the 2022 Regatta, the 17th year of the event. The aim of the regatta is to include:

- Premier Class (offshore racing)
- Performance Classes (inshore racing)
- Numerous one-design classes including Etchells, Yngling, Adams 10, Cavalier 28 and J70
- Historic 18 Footers

The regatta is constantly evolving, with classes updated and racing formats reviewed year on year. One thing that never changes is the support of other yacht Clubs around Sydney and the willingness of the race management volunteers. Without their commitment to the regatta's success, it would be impossible to host an event of this size and complexity.

Our volunteers are a class apart, and so are our commercial supporters. There were some outstanding prizes on offer thanks to the generosity of our event sponsors, Ross & Whitcroft, Mercedes-Benz North Shore, Manly Spirits, Brix Rum Distillery, and Mercure Resort Hunter Valley Gardens. Thank you also to our club sponsors, Quality Marine Clothing, Club Marine, Telstra Business Technology Centre, Short Marine, and Robert Oatley Wines.

Competitors at all levels of sailing, from keen Club sailing enthusiasts right up to national and world champions and sailors who have represented their country at the Olympics, can be found taking part in this regatta. Some of the biggest names in sailing can be found contesting the Premier IRC class divisions on windward/leeward offshore courses and aboard the exciting TP52s.

The shore-side activity surrounding the Sydney Harbour Regatta is also keenly anticipated as an integral part of this spectacular regatta. Spectators and competitors can look forward to great entertainment, food, live music, fantastic prizes from our generous sponsors, and an energetic party atmosphere.

Middle Harbour's beach is the place to head after the day's racing is done, affording the chance to unwind with a refreshing drink, catch up with old friends and make many new ones.

For the latest on the Sydney Harbour Regatta, visit the website at www.shr.mhyc.com.au



FLAG OFFICERS REPORTS

VICE COMMODORE RACING REPORT - GEOFF CHARTERS

With the close of the summer sailing season, we see another successful program delivered by MHYC.

The club has managed to maintain a significant schedule of racing despite the severe restrictions placed on crewing numbers and limitations on onshore activities – all resulting from the ever-present COVID challenges.

Again our sailing department of David Staley and Catherine Rofe, with assistance via Katherine Johnston has managed a full program, major regattas and class championships with this season being regularly challenged by weather conditions with either too much or too little wind. When the right conditions prevailed, we saw some great Wednesday, Thursday and Saturday Club racing returning in October 2021 after the COVID shackles were released. Backing up and assisting our sailing department are the Club's volunteers without who we could not deliver the sailing program as set out each year. Thank you and we trust you can again assist to deliver the 22/23 sailing program.

The MHYC sailing programs continue to provide MHYC members and visiting crews the opportunity to participate in a diverse and busy range of sailing activities. Sailing participation and particularly competitive sailing participation continues to evolve. MHYC yachts continue to compete in many regattas, with a few examples being strong results in Sail Port Stephens, Lazy Dog winning the MC38 Nationals, Highly Sprung being 17th overall in line honors in the 2021 Sydney to Hobart and winning the IRC Division 3 and ORCi Division 2, and in the Farr 40 National Championships MHYC yachts were 2nd and 3rd.

Thank you to the sailing committee who met regularly and provided valuable guidance on planning of regattas and the Club sailing program, whilst also assisting the Sailing Department. The Committee is a prime example of Club members volunteering their time and providing their valuable expertise.

MHYC, whilst small in its marina size and fleet numbers, continues to deliver an excellent sailing program and sees its fleet regularly and consistently compete under the MHYC burgee.



VICE COMMODORE CRUISING REPORT - EVAN HODGE

The Cruising Division (CD) continued to be a vibrant active part of MHYC during the year which was overshadowed by COVID.

We continued our monthly CD meetings via a combination of in-person and Zoom, these were all quite well attended. BBQ's and guest speakers resumed, for our normal monthly meetings once we were finally able to meet in person at the beginning of the year.

The Cruising Division continues to have a focus on safety and education, conducting sessions on a range of topics from navigation, man over-board, and emergency steering to name a few. The monthly Compass Rose regularly details a report on safety.

We have held several events both on-water such as the get-together at Blackwattle Bay in March and the Easter sail to Shellharbour, catching amazing weather and a tie-up at the new

marina. Unfortunately, throughout the year weather has had a major influence on our events.

The Cruising Division Committee, made up of Phil Darling, Kelly Nunn-Clark, Sanna Westling, Dot Theeboom, Dallas O'Brien, Jeremy Clarke, Martyn Colebrook, Niclas Westling & Evan Hodge, have all contributed heavily throughout the year. The Compass Rose, our monthly Cruising Division newsletter, is a testament to the effort committee members each put into the club. The MHYC website holds a link to these newsletters.

We look forward to continuing the Cruising Division tradition of inclusion, community, camaraderie, and safety on the sea.

As I will be stepping down as VC Cruising, I would like to take this opportunity to thank the MHYC board and flag officers for their support over the last 5 years. The Cruising Division continues to grow and I'm sure there will be many adventures ahead.



VICE COMMODORE YOUTH SAILING - ROBERT SANGSTER

The past season has seen our youth sailors excelling at the national level whilst training hard and building great friendships.

In the Optimist class, Will Wilkinson achieved 2nd at the National Championships and was selected to represent Australia (and MHYC) at the next World Championships hosted in Turkey later this year. Zara Marks and Heidi Bates achieved 2nd and 3rd in the girls' division to qualify for the European and Asian championships. In the 29er's, Tyler Dransfield & Jamie Stoddard very narrowly missed out on a Worlds place with an impressive 2nd place in their qualifying event. Many of these kids are down at the club training 3-4 days per week, it's wonderful to see them achieving such impressive results in these highly competitive classes.

Throughout the year, the club continued to support a very strong Optimist coaching program run by Brewer Racing. Our more experienced sailors were able to continue Covid safe 1:1 coaching throughout the worst of the restrictions, then back to group sessions when restrictions eased, the impact of this was most evident when regattas resumed with our mid-fleet sailors jumping up the rankings. The quality coaching provided continues to attract talented sailors from other clubs (and states) to join us for training sessions, which in turn, provides our club sailors a very competitive environment to build their skills.

Our Sunday racing attracted a regular group of sailors, with the battle for Optimist Club Champion not decided until the final week. Parent involvement in club racing is high, with most parents regularly helping David run racing from either the start or safety boats. We are conscious that the first half of next

season may see a dip in our Race Fleet numbers, as some of our kids are aging out of the Optimist class and there is a small gap in our pathway funnel, caused by prior COVID disruptions to our Learn to Sail program.

Our Discover Sailing Center continues to do a great job of introducing hundreds of kids to our sport. Over the past year, they overcame significant challenges with lockdowns, group activity restrictions, staff availability, and water quality issues. Despite these challenges, we achieved significant growth in the number of youths participating in the schools Learn to Sail and Teams Racing programs. On top of that, we doubled the conversion rate of children graduating from the Tackers programs into the Optimist Green Fleet, which means our Race Fleet will experience significant growth once these kids graduate later in the year.

Towards the end of the season, the new club RIB arrived and was put to good use as a dedicated safety boat for our club racing, along with supporting the Learn to Sail program. Over the winter months, we will be trialing using the RIB for parent-run training sessions to help our numerous Green Fleet sailors transition into the Race Fleet, while also supporting our more experienced sailors with extra training sessions. We expect this will make a big difference to the number of kids who regularly participate in the sport and help us maintain the excellent results achieved when we represent the club at regattas. Our MHYC youth sailing community is extremely grateful for the donations and support MHYC members provided to enable the purchase of this valuable asset.



CLUB CAPTAIN - KAREN EWELS

Middle Harbour Yacht club has emerged from the COVID years with a healthy membership base of just over 900, and a new Harbourview room and entrance. We can now build on this and invigorate the club with a forward plan of regular pre-COVID regattas and events that make the most of the stunning location and facilities that we have at our disposal.

At the time of printing, we have just published an extensive survey in the hope that you will share your ideas and thoughts about how you would like to use your club, enjoy your sailing, and see the club flourish. We also have an ambitious calendar of Post COVID events that we encourage you to get involved in.

Our female sailors continue to make their mark with great results in the Sydney Harbour Women's Keelboat Series. Our female membership currently forms approximately 25% of total memberships, with a strong group of amazing ladies skippering, crewing, organising, and volunteering on the water. They are an inspiration to younger or newer members, and I look forward to seeing the recipient of our newest award, the Jules trophy for MHYC Yachtswoman of the year.

Middle Harbour Yacht Club is a welcoming, inclusive club that supports members to achieve their sailing goals. We have many skippers and more experienced crew who take the time to mentor and tutor those new to sailing or trying to improve their skills. This is a great way to boost our active membership, create a friendly environment and secure good crew.

Many thanks to all our hard workers in the office, bar, on the marina, on the start boat, and all our volunteers without whom our club would not survive. Please take the opportunity to thank them when you can.

Membership renewals commence in July. It is only with your support and engagement that we can continue to improve our offerings and benefits to members; so please come down and take advantage of the new Sandbar, get out there sailing, tell us your ideas, and get involved in your club.



MEMBERSHIP BREAKDOWN

Club Life, 4	Club Intermediate, 14
Club Full, 183	Club General, 147
Club Senior, 80	Club Youth, 106
80 Club Crew, 376	Total, 910

YOUTH SAILING

Youth Sailing at MHYC is run by our very own Australian Sailing Accredited 'Discover Sailing Centre'.

The Club has a long tradition of youth sailing dating back to 1963 when a small fleet of timber boats and a handful of young sailors laid the foundation for Frank Likely, in 1966, to begin the first youth sailing courses at the Club. Over the decades since then, many world class sailors have emerged from the program.

We saw a large boost in enthusiasm towards the Club's young, future sailors with the establishment of the Australian Sailing Team facilities here in 2013 which has enabled the Olympic and Paralympic teams to training alongside our beginner sailors. Today the programme has grown to become one of the top ten Discover Sailing Centres in Australia.

The MHYC Discover Sailing Centre offers Learn to Sail courses for ages 7-17 with a pathway that follows from complete beginner to competent sailor or even elite racer regardless of when you start. For children who have completed the learn to sail programs or have joined us from a sailing background, we run development programs for multiple world sailing recognised dinghy classes.

Our talented and experienced young sailors compete in Club, local, regional, national and international competitions. Inspiration to take their sailing journey to wherever they want is easy to find whilst training amongst Australian Olympians and world champions.

Our team of staff and volunteers are all qualified to the Australian Sailing national governing body standard and are passionate about inspiring the next generation of participants in their sport. The values and discipline gained from sailing is instilled in our instructors and coaches and is passed on in their teachings, creating an environment of mutual respect and a wholesome Club atmosphere. This is seen so clearly on any training or race day at the Club as well as at our youth sailing social events held throughout the year.

The MHYC Discover Sailing Centre also coordinates schools sailing programs for many local schools providing a local Club facility in which to explore the aquatic environment.

To get involved or to find out more information call us on 02 8969 3116.



SYDNEY SHORT OCEAN RACING CHAMPIONSHIP

A major sailing event in the Middle Harbour Yacht Club calendar throughout the year is the Sydney Short Ocean Racing Championship, this season held over the weekend of 27-28 November 2021.

This event marks the beginning of the regatta season in Sydney. Having celebrated 40 years in 2017, the SSORC has long been regarded as the perfect way for serious yachtsmen to test their boats and crew ahead of the following month's Rolex Sydney to Hobart Race and invariably boasts a quality line-up.

Many keen sailors see the event as the chance to shake off the winter cobwebs and prepare themselves for the season ahead. And it wouldn't be Middle Harbour Yacht Club without some fun on dry land after the racing, with all crews, friends, and family invited back to the post-race beach party on both days, with live entertainment.

The format of the SSORC has been adjusted over the past few years to cater to competitors' wishes, with the current formula being one that seems to be enjoyed by everyone involved. The regatta commences with a coastal passage race either to Cape Baily or Lion Island and return. It was a tough race in a fresh southerly and big sea to and from Cape Baily in 2021. The second day features three offshore windward-leeward races with all race scores to count.

The SSORC offers three divisions; TP52, Division 1 and Division 2, with scoring under IRC, ORCi, PHS and TPR for the TP52 class.

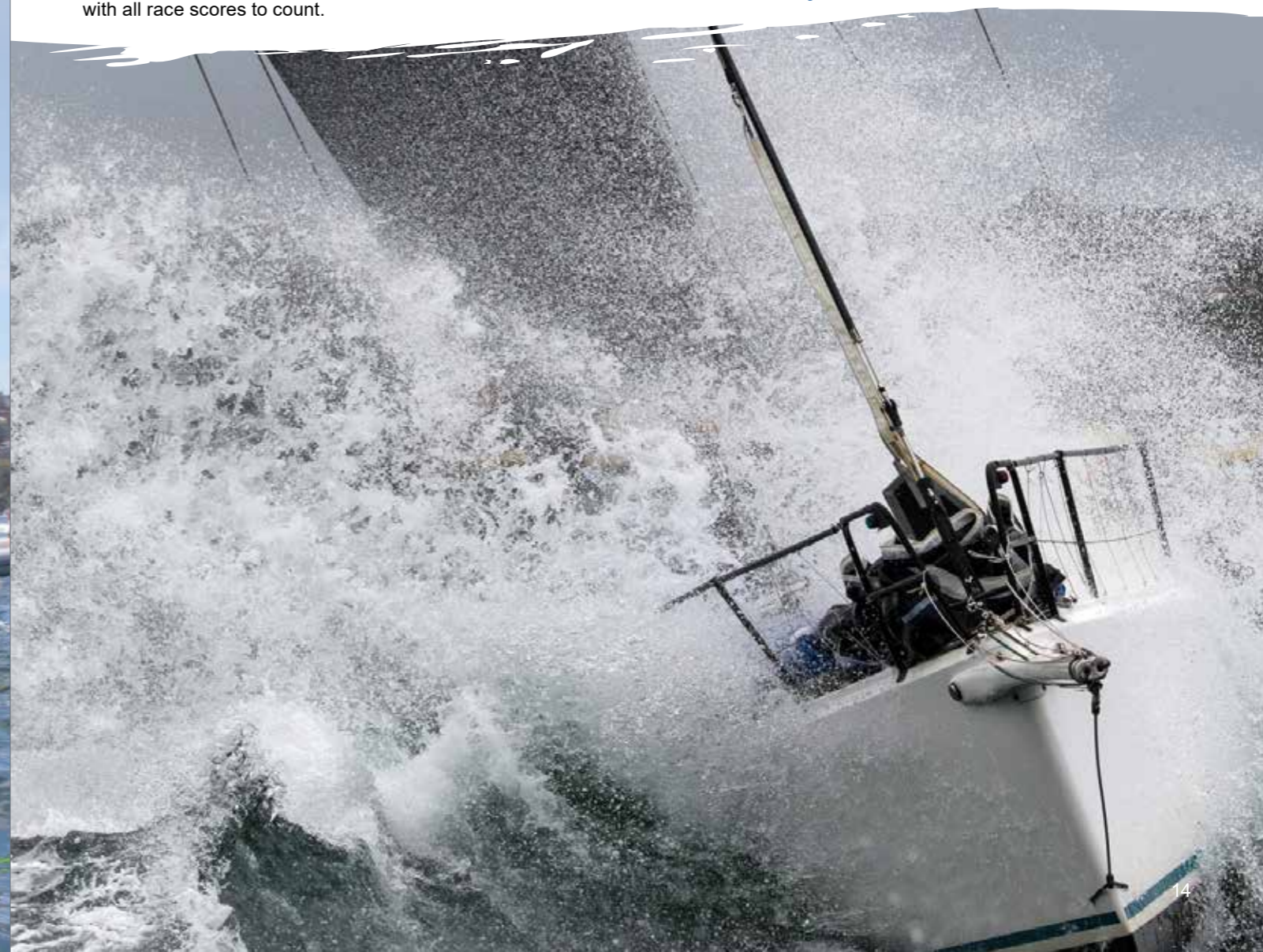
While the TP52 class did not participate as a group in 2021, a quality field of offshore racers is always assured, particularly with the SSORC forming one leg of the MHYC and CYCA Ocean Pointscore Series.

Inside the Harbour, the annual Seven Islands pursuit race attracts Saturday sailors and their crews from Clubs throughout Sydney and allows them to participate in the fun and competition of the first major regatta of the racing season. The race was also the first round of the Jeanneau Cup Series.

The Club thanks the Cruising Yacht Club of Australia for making its race management resources available and to Bob Cox for his ongoing efforts to promote the event.

MHYC expresses its sincere thanks to sponsors Sail Racing, Club Marine, Oatley Wines, and Short Marine for their support.

The 2022 SSORC will be held from 26-27 November. For more details on the event visit the website at, www.ssorc.mhyc.com.au







MHYC FOUNDATION

REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

In a year of continuing uncertainty and disruption due to the impact of the COVID-19 pandemic and government action to curb the spread of the virus, it is pleasing to report that the Foundation proved to be of great support to the MHYC in achieving its goals.

As set out in the Chairman's report, the MHYC board and management were very active in undertaking a number of major works around the Club requiring substantial funding. Club members again provided strong financial support contributing over \$170,000 in donations to the Foundation through the Special Projects Revitalisation and Youth Sailing funds, many contributors taking advantage of the Australian Sports Foundation tax deduction portal.

On behalf of the Foundation, we are very grateful and thank all MHYC club members for their continued support and contributions to the Foundation. While the Foundation is independent of the MHYC, the Club is the sole beneficiary of the Foundation Trust, its main purpose being:

Purpose of the Foundation

- To create a permanent fund to be administered independently from the Club; and
- To help preserve, develop and maintain the standards and facilities of the Club.
- To make grants to the Club from time to time for the purpose of assisting the Club in achieving its goals.

The Foundation is administered through a corporate trustee, MHYC Foundation Pty Limited, with a board comprising five directors. The directors of the trustee company work closely with the Club to promote fundraising activities that support the Club's strategy and plans. The trustee board members are the following Club members:

Neil Drabsch (Chairman)
Julie Hodder
Neil Padden

Rob Reynolds
Jack Stening

Financial Results for the year ended 31 December 2021

During the year the Foundation received \$170,608 in donations from Club members which helped fund \$117,000 in grants to the MHYC in support of \$27,000 for a RIB replacement for Youth Sailing activities and \$90,000 mainly relating to the front entrance tiling and the construction and redevelopment of the new Sandbar and kitchen.

Net income for the year was \$44,085 after costs for grants to the Club and expenses. Net assets of the Foundation have grown to \$180,666 up from \$136,601 at the beginning of the year held in trust for the following Funds:

	2021	2020
FLYAS Fund	73,423	82,238
Revitalisation Fund	55,829	20,348
General Fund	51,434	33,999
Total Funds	\$180,686	\$136,601

Details of the Foundation's audited financial statements are available through the Club's website.

The Foundation's plans for the year ahead include providing further grants to assist in funding and promoting Youth Sailing and assisting funding to complete the Sandbar and surrounds, and other works outlined in the MHYC board's master plan that are targeted to improve members facilities, equipment, and amenities.

On behalf of the Foundation board, we sincerely thank the members for their generous donations and look forward to your assistance in supporting the funding of various projects and meeting the Club's objectives over the next financial year.

MIDDLE HARBOUR YACHT CLUB LIMITED

ABN: 95 000 248 887

CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 April 2022

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2022

The Directors present their report on Middle Harbour Yacht Club Limited for the financial year ended 30 April 2022.

Directors

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

Names	Position	Appointed/Resigned
R Aldis	Director/Chairman	
P Lewis	Director/Commodore	
P Clinton	Director	
N Drabsch	Director	
E Hurt	Director	
L McAllister	Director	
S Lane	Director	
J McCuaig	Director	Resigned 13/08/2021
N Morgan	Director	
Q Stewart	Director	Appointed 19/08/2021

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

Review of operations

The financial result for the year from ordinary activities was a profit of \$130,054 (2021:\$133,536 profit) after charging \$583,967 (2021: \$555,226) for depreciation and amortisation.

Profit before income tax, interest and depreciation for the year was \$1,019,678 (2021: \$979,253).

In accordance with AASB 16 Leases the Club has recognised an amortisation expense on right-of-use assets of \$124,094 (2021: \$125,192) and finance costs in relation to the lease liability of \$62,850 (2021: \$34,743).

Principal activities

The principal activities of the company during the financial year were to provide facilities and services to promote the sport of sailing and boating activities.

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

Indemnifying and Insurance of Officers

The company has provided for and paid premiums to the value of \$4,030 (2021: \$4,030) during the year for Management Liability Insurance. The insurance is in respect of legal liability for damages and legal costs with an annual aggregate limit of \$5,000,000 arising from claims made by reason of any omissions or acts (other than dishonesty) by them, whilst acting in their individual or collective capacity as directors or officers of the company, towards which the directors of the company contribute.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2022

Information on directors

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

R Aldis	
Qualifications	Civil Engineer, BE (Civil), FAICD
Experience	Over 46 years' experience in the engineering and construction sector, spending 25 years with the Contractor, Leighton Group of Companies, and then 15 years as Managing Director of an Advisory business within the Infrastructure sector. Rob also holds non-executive roles within North West Road Group and WaterNSW.
P Lewis	
Experience	Retired businessman with successful corporate and small to medium business experience primarily in developing, manufacturing, positioning and marketing products and services locally and overseas.
P Clinton	
Qualifications	Certified Financial Planner, Accredited Estate Planning Strategist, Bachelor of Business in Accounting
Experience	Over 31 years experience in financial planning and deals mainly with high net worth individuals and family groups.
N Drabsch	
Qualifications	Chartered Accountant, FCA,FAICD, FGIA, FCIS.
Experience	Practicing chartered accountant for 25 years. Extensive experience as a senior executive in finance, tax, investments and funding in large international insurance companies for over 26 years including 21 years with QBE Insurance Group in roles as company secretary and CFO. Now retired and chairman of the Finance & Risk Committee.
E Hurt	
Qualifications	Master of Human Services Management and Policy, Master Project Director (MPD), GAICD
Experience	Career in project and operations management, alongside business consulting and non-executive roles. Corporate and not-for-profit experience in finance and insurance, logistics, health and medical research sectors. Extensive experience in IT, HR, executive coaching and business transformation.
L McAllister	
Experience	23 years globally with The CocaCola Company (TCCC) operating across 72 Countries as (TCCC) Head of Marketing, R&D & M&A across Europe Eurasia & Middle East. (TCCC) President Scandinavia. (TCCC) Chief Marketing, Commercial & Customer Officer for CocaCola Japan. Managing Director of SanofiANZ. 3 years CEO & MD of McPherson's with experience as a Board Director for 7 companies across 6 countries across Europe, Asia, ANZ & Global.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2022

Information on directors (cont'd)

S Lane	
Qualifications	Bachelor of Accounting and qualified Chartered Accountant
Experience	After completing articles with a major accounting firm in South Africa and USA he has held senior positions in a number of companies in both listed and non listed. He has invested in a number of private companies across a broad range of industries over the years and continues to consult and hold non executive board positions.
J McCuaig	
Qualifications	Diploma Financial Services, Fellow Financial Services Institute
Experience	32 Years Banking & Finance, 17 years operating own Finance Broking business.
N Morgan	
Qualifications	Bachelor of Science in Pharmacy
Experience	Over 21 years' experience as a Management Consultant providing consulting services across Europe, USA and Asia Pacific.
Q Stewart	
Qualifications	Chartered Accountant
Experience	A Chartered Accountant with KPMG in London, he worked at a global investment bank as part of a proprietary debt and equity structuring and trading team. In 2002 he was a founding member of a team that established what became one of Europe's largest private equity houses. For 15 years he led large cap buyouts in a variety of industries and jurisdictions from Europe to the US and Australasia, ultimately with a focus on energy and commodities.

Meetings of directors

During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
R Aldis	12	12
P Lewis	12	12
P Clinton	12	11
N Drabsch	12	11
E Hurt	12	11
L McAllister	12	11
S Lane	12	12
J McCuaig	3	3
N Morgan	12	11
Q Stewart	9	9

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2022

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.

Company Limited by Guarantee

Middle Harbour Yacht 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 \$100 for all members, subject to the provisions of the company's constitution.

At 30 April 2022 the collective liability of members was \$ 91,000 (2021: \$131,400).

Events after the reporting date

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

Dividends

The company is a non-profit organisation and is prevented by its constitution from paying dividends.

Proceedings on Behalf of the Company

No person has applied for leave of the 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 part of those proceedings.

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

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 April 2022 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: 
R Aldis

Director: 
P Lewis

Dated: 04 July 2022

AUDITOR'S INDEPENDENCE DECLARATION



Middle Harbour Yacht Club Limited

ABN: 95 000 248 877

Auditors Independence Declaration under Section 307C of the Corporations Act 2001 To the Directors of Middle Harbour Yacht Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 April 2022, 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

KYM REILLY
PARTNER

4 JULY 2022
SYDNEY, 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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755 Hunter Street
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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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2022

	2022	2021
Note	\$	\$
Revenue	4 3,125,757	3,368,474
Other income	4 288,960	758,289
Cost of sales	(259,654)	(403,072)
Employee benefits expense	(1,271,929)	(1,585,642)
Cleaning	(32,541)	(30,376)
Regatta and sponsorship expenses	(99,429)	(99,589)
Insurance	(187,841)	(162,318)
Rates and utilities	(75,718)	(106,209)
Rental and leasing outgoings	(30,559)	(150,955)
Repairs and maintenance	(166,302)	(316,816)
Other expenses	(271,066)	(292,533)
Profit before income tax, interest and depreciation	1,019,678	979,253
Finance costs	5 (305,657)	(290,491)
Depreciation and amortisation expense	5 (583,967)	(555,226)
Profit before income tax	130,054	133,536
Income tax expense	2(j) -	-
Profit for the year	130,054	133,536
Other comprehensive income		
Fair value increment on revaluation of property	18 3,066,109	-
Other comprehensive income for the year, net of tax	3,066,109	-
Total comprehensive income for the year	3,196,163	133,536

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 APRIL 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	639,197	960,968
Trade and other receivables	7	108,778	31,991
Inventories	8	25,030	33,807
TOTAL CURRENT ASSETS		773,005	1,026,766
NON-CURRENT ASSETS			
Trade and other receivables	7	41,596	81,689
Property, plant and equipment	9	14,806,929	11,580,380
Right-of-use asset	10	3,016,440	1,656,087
TOTAL NON-CURRENT ASSETS		17,864,965	13,318,156
TOTAL ASSETS		18,637,970	14,344,922
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	435,463	582,786
Borrowings	12	1,152,500	1,050,000
Employee benefits	13	76,710	80,395
Lease liabilities	10	90,190	111,720
Other liabilities	14	196,257	267,863
TOTAL CURRENT LIABILITIES		1,951,120	2,092,764
NON-CURRENT LIABILITIES			
Borrowings	12	3,725,000	3,777,500
Lease liabilities	10	3,004,298	1,565,537
Employee benefits	13	5,125	23,440
Other liabilities	14	73,713	203,130
TOTAL NON-CURRENT LIABILITIES		6,808,136	5,569,607
TOTAL LIABILITIES		8,759,256	7,662,371
NET ASSETS		9,878,714	6,682,551
EQUITY			
Reserves		12,605,267	9,539,158
Accumulated losses		(2,726,553)	(2,856,607)
TOTAL EQUITY		9,878,714	6,682,551

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2022

	Accumulated losses \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 May 2021	(2,856,607)	9,539,158	6,682,551
Profit for the year	130,054	-	130,054
Fair value increment on revaluation of property	-	3,066,109	3,066,109
Balance at 30 April 2022	(2,726,553)	12,605,267	9,878,714
Balance at 1 May 2020	(2,990,143)	9,539,158	6,549,015
Profit for the year	133,536	-	133,536
Balance at 30 April 2021	(2,856,607)	9,539,158	6,682,551

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		3,272,248	3,595,263
Payments to suppliers and employees		(2,761,274)	(3,042,331)
Interest received		4,013	3,674
Finance costs		(305,657)	(290,491)
Government grants		195,437	755,957
Net cash provided by operating activities	21	<u>404,767</u>	<u>1,022,072</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		15,000	-
Purchase of property, plant and equipment		(640,281)	(332,272)
Net cash used in investing activities		<u>(625,281)</u>	<u>(332,272)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net proceeds of issue/(repayment) of debentures		50,000	-
Repayment of lease liabilities		(151,257)	(145,000)
Net cash provided by/(used in) financing activities		<u>(101,257)</u>	<u>(145,000)</u>
Net increase in cash and cash equivalents held		(321,771)	544,800
Cash and cash equivalents at beginning of year		960,968	416,168
Cash and cash equivalents at end of financial year	6	<u>639,197</u>	<u>960,968</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

The financial report includes the consolidated financial statements and notes of Middle Harbour Yacht Club Limited (Parent) and controlled entities ('the Club'). Middle Harbour Yacht Club Limited is a not-for-profit Club limited by guarantee, incorporated and domiciled in Australia.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Act 2001.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements 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.

2 Summary of Significant Accounting Policies

(a) Going concern

The financial statements have been prepared on the going concern basis, which indicates continuity of business activities and the realisation of assets and settlement of liabilities in the normal course of business.

At 30 April 2022 the Club reported current liabilities of \$1,951,120 which was greater than current assets of \$773,005. This resulted in net current liabilities of \$1,178,115 (2021: \$1,065,998), of which \$1,152,500 (2021: \$1,050,000) related to loans repayable to debenture holders within the next 12 months.

The Directors are confident that the Club will be able to negotiate the roll-over, or reissue of these existing debenture loans. This is based on the fact that historically the Club has a proven track record of raising new debentures, and in addition the Club continues to receive ongoing support from its various stakeholders who actively participate in the debenture scheme.

The ability of the Club to continue as a going concern is dependent upon the Club continuing to achieve their projected trading budget and to successfully roll over or replace the debenture loans as they fall due. Although these conditions indicate the existence of an uncertainty which casts doubt over the Club's ability to continue as a going concern, the directors are confident that the Club will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

(b) Principles of Consolidation

The financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have an April financial year end.

A list of controlled entities is contained in Note 20 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

2 Summary of Significant Accounting Policies (cont'd)

(c) Revenue and other income

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods and services to customers at an amount that reflects the consideration of the Club expects to receive in exchange for those goods and services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price of the performance obligations
5. Recognise revenue as and when control performance obligations is transferred.

Rendering of services

Revenue from rendering services comprises revenue from memberships together with other services to members and other patrons of the Club and is recognised when the services are provided.

Rental income

Revenue from marina and moorings is recognised on a straight-line basis for leases with fixed rental increases. For all other leases, revenue is recognised when the Club has a right to receive the rent in accordance with the lease agreement.

Commercial property rental revenue is recognised on a straight-line basis over a period of lease terms as to reflect a constant periodic rate of return on the net investment.

Bar and catering revenue

Revenue from sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue

Interest is recognised using the effective interest method.

Government grants

Government grants are recognised when there is a reasonable certainty that the grant will be received and all grant conditions are met. Grants relating to expense items are recognised as income over the necessary periods to match the grant to the costs they are compensating.

Government grants include amounts received or receivable under the Federal Government JobSaver payment scheme. This provided temporary subsidies to eligible businesses significantly affected by COVID-19.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

2 Summary of Significant Accounting Policies (cont'd)

(d) 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). Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the consolidated statement of financial position.

Cash flows in the consolidated 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.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received.

(g) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or revaluation model less, where applicable, any accumulated depreciation and impairment as specified below.

Marina and moorings, clubhouse and leasehold premises

Marina and moorings, clubhouse and leasehold premises are measured using the revaluation model. Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Plant and equipment

Plant and equipment are measured using the cost model. Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation

The depreciable amount of all property, plant and equipment is depreciated on a straight-line method from the date that management, determine that the asset is available for use.

Leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

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

Fixed asset class	Depreciation rate
Leasehold premises	3.7%
Marina and Moorings	3.7%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

2 Summary of Significant Accounting Policies (cont'd)

(g) Property, plant and equipment (cont'd)

Fixed asset class	Depreciation rate
Clubhouse	3.7%
Plant and Equipment	10%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(h) 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

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

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

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

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

2 Summary of Significant Accounting Policies (cont'd)

(h) Financial instruments (cont'd)

Financial assets (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

2 Summary of Significant Accounting Policies (cont'd)

(h) Financial instruments (cont'd)

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.

(i) Impairment of non-financial assets

At the end of each reporting year, the Club 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 the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Value in use is either the discounted cash flows relating to the asset or depreciated replacement cost if the criteria of AASB 136 'Impairment of Assets' are met. 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.

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

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

(j) Income Tax

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

(k) Trade and other payables

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

(l) Leases

Lease liabilities are measured at the present value of the payments to be made over the lease term at the commencement of the lease are discounted using the lessee's incremental borrowing rate. The incremental borrowing rate is the rate that the Club would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use ("ROU") asset in a similar economic environment, with similar terms, security and conditions. Application of the incremental borrowing rate is adopted where the interest rate implicit in the lease cannot be readily determined from the contract, which is generally the case for leases in the Club.

Lease payments due within 12 months are recognised within current lease liabilities; payments due after 12 months are recognised within non-current lease liabilities. Interest on the lease liability in each period during the lease term shall be the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest expense on the lease liability is a component of finance cost and is presented in the statement of profit and loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

2 Summary of Significant Accounting Policies (cont'd)

(l) Leases (cont'd)

The short-term exemption will be applied to leases that are less than 12 months. These leases are recognised on a straight-line basis as an expense. 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 (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

(m) 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 wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Club does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

Contributions are made by the Club to an employee superannuation fund and are charged as expenses when incurred.

(n) Adoption of new and revised accounting standards

The Club has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). There are no new and revised Accounting Standards and interpretations effective for the current year that are relevant to the Club.

3 Critical Accounting Estimates and Judgements

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

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.

Key estimates - fair value of Marina and moorings, Leasehold premises and Clubhouse

The Club carries these assets at fair value with changes recognised in the revaluation reserve.

On 23 January 2013 the leasehold premises, marina and moorings and clubhouse development held by the Club were independently valued by Landmark White valuers adopting the capitalisation of earnings method and applying a capitalisation rate of 9.25%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

3 Critical Accounting Estimates and Judgements (cont'd)

Key estimates - fair value of Marina and moorings, Leasehold premises and Clubhouse (cont'd)

The directors' have performed a Directors Valuation at 30 April 2022 using a consistent capitalisation of earnings method as had been performed by the independent valuers in 2013. Key assumptions adopted in the 2022 Directors Valuation have been included in Note 18.

As a result of the directors' valuation in the current year, the Club has recognised a revaluation increment of \$3,066,109 accounted for as an increase in the book values of the relevant assets classes with a corresponding increase in the asset revaluation reserve. The carrying value of these asset classes are deemed to correctly reflect the fair value at 30 April 2022.

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.

With respect to cash flow projections for marina and moorings based in Australia, growth rates of 2.5% have been factored into valuation models for the next 32 years on the basis of the modification to lease terms with NSW Maritime, re-signed on 22 December 2021. The rates used incorporate allowance for inflation.

Key judgements - Income tax exemption

The directors of the Club self-assess income tax exemption status each year by filling out the income tax exemption self-assessment form provided by the ATO. The directors assessed the Club as income tax exempted this financial year given its sporting nature and accumulated losses.

Key judgements - AASB 16 Leases

The directors of the club have made significant judgements regarding the recognition of leases and under AASB 16. Specifically these judgements relate to the incremental borrowing rate applied of 2% and the terms and conditions of the lease agreement held with NSW Maritime.

The lease agreement held with NSW Maritime was resigned on 22 December 2021 and dated back to a commencement date of 16 February 2016. The new lease agreement in place is for a term of 32 years, maturing on 15 August 2048 at an annual rent of \$151,526 p.a.

Variable payments tied to the lease agreement with NSW Maritime have been excluded from the initial measurement of the lease liability and are recognised in profit or loss in the period during which the event or condition that triggers those payments occurs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

4 Revenue and Other Income

	2022	2021
	\$	\$
- Rendering of services	778,218	885,949
- Marina Rentals	1,483,150	1,455,703
- Mooring Rentals	32,533	32,665
- Bar and Catering revenue	485,659	674,226
- Other miscellaneous sales revenue	9,138	26,657
- Interest income	4,013	3,674
- Commercial rental income	184,291	128,150
- Donations	118,000	125,811
- Council carpark revenue	30,755	35,639
	3,125,757	3,368,474
Other income		
- Other income	12,407	2,332
- Rental rebates	81,116	-
- Government grants	195,437	755,957
	288,960	758,289

5 Result for the Year

The result for the year includes the following specific expenses:

Finance costs

- Interest expense on debentures	242,807	255,748
- Interest on lease liabilities	62,850	34,743
	305,657	290,491

Depreciation and amortisation expense

- Employee benefit expenses	459,873	430,034
- Amortisation of right-of-use assets	124,094	125,192
	583,967	555,226

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

6 Cash and cash equivalents

	2022	2021
	\$	\$
Cash on hand	8,074	7,983
Cash at bank	631,123	952,985
	<u>639,197</u>	<u>960,968</u>

7 Trade and other receivables

	2022	2021
CURRENT		
Trade receivables	28,665	8,902
Other receivables	80,113	23,089
	<u>108,778</u>	<u>31,991</u>
NON-CURRENT		
Security deposits	41,596	81,689

8 Inventories

	2022	2021
CURRENT		
Merchandise stock, at cost	16,527	12,124
Bar stock, at cost	8,503	21,683
	<u>25,030</u>	<u>33,807</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

9 Property, plant and equipment

	2022	2021
	\$	\$
Marina and Moorings		
At fair value	11,729,900	10,189,291
Less: accumulated depreciation	-	(660,905)
	<u>11,729,900</u>	<u>9,528,386</u>
Leasehold premises		
At fair value	1,063,027	880,000
Less: accumulated depreciation	(58,747)	(58,747)
	<u>1,004,280</u>	<u>821,253</u>
Clubhouse		
At fair value	1,830,575	970,000
Less: accumulated depreciation	(64,755)	(64,755)
	<u>1,765,820</u>	<u>905,245</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	1,355,915	1,377,394
Less: accumulated depreciation	(1,048,986)	(1,051,898)
	<u>306,929</u>	<u>325,496</u>
Total property, plant and equipment	<u>14,806,929</u>	<u>11,580,380</u>

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

	Leasehold premises	Marina and Moorings	Plant and Equipment	Clubhouse	Total
	\$	\$	\$	\$	\$
2022					
Balance at the beginning of year	821,253	9,528,386	325,496	905,245	11,580,380
Additions	-	64,287	46,029	530,505	640,821
Disposals	-	(2,600)	(17,908)	-	(20,508)
Depreciation expense	(29,333)	(340,529)	(46,688)	(43,323)	(459,873)
Revaluation increase	212,360	2,480,356	-	373,393	3,066,109
Balance at the end of the year	<u>1,004,280</u>	<u>11,729,900</u>	<u>306,929</u>	<u>1,765,820</u>	<u>14,806,929</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

10 Leases

Right-of-use assets

	2022	2021
	\$	\$
Year ended 30 April 2022		
Balance at beginning of year	1,656,087	1,781,279
Additions through modification of lease terms	1,484,447	-
Depreciation charge	(124,094)	(125,192)
Balance at end of year	3,016,440	1,656,087

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Consolidated Statement Of Financial Position
	\$	\$	\$	\$	\$
2022					
Lease liabilities	151,257	605,028	3,226,805	3,983,090	3,094,488
2021					
Lease liabilities	145,000	580,000	1,184,167	1,909,167	1,677,257

11 Trade and other payables

Unsecured liabilities		
Trade payables	90,360	163,214
Sundry payables and accrued expenses	345,103	419,572
	435,463	582,786

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

12 Borrowings

	2022	2021
	\$	\$
CURRENT		
Secured liabilities:		
Debentures	1,152,500	1,050,000
NON-CURRENT		
Secured liabilities:		
Debentures	3,725,000	3,777,500

Collateral Provided

Debentures are secured by a first mortgage over the assets of the Club. The carrying amounts of non-current assets pledged as security are:

- Marina and Moorings	11,729,900	9,528,386
- Leasehold premises and club house	2,770,100	1,726,498
- Other property plant and equipment	306,929	325,496
	14,806,929	11,580,380

13 Employee benefits

CURRENT		
Employee entitlements	76,710	80,395
NON-CURRENT		
Employee entitlements	5,125	23,440

14 Other liabilities

CURRENT		
POS liability	17,187	20,461
Customer deposits	47,826	57,816
Prepaid berths guarantee fees	131,244	189,586
	196,257	267,863
NON-CURRENT		
Prepaid berths guarantee fees	73,713	203,130

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

15 Financial Risk Management

The main risks the Club is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The Club's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, debentures and lease liabilities.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows

	2022	2021
	\$	\$
Financial Assets		
<i>Held at amortised cost</i>		
Cash and cash equivalents	639,197	960,968
Trade and other receivables	150,374	113,680
Total financial assets	<u>789,571</u>	<u>1,074,648</u>
Financial liabilities		
<i>Held at amortised cost</i>		
Trade and other payables	435,463	582,786
Borrowings	4,877,500	4,827,500
Lease liabilities	3,094,488	1,677,257
Total financial liabilities	<u>8,407,451</u>	<u>7,087,543</u>

16 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of Middle Harbour Yacht Club Limited during the year are as follows:

Short-term employee benefits	180,489	147,254
Long-term benefits	16,232	13,989
	<u>196,721</u>	<u>161,243</u>

For details of other transactions with key management personnel, refer to Note 17: Related Party Transactions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

17 Related Parties

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

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 16: Key Management Personnel Compensation.

(b) Other related parties

Other related parties include immediate family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel, individually or collectively with their immediate family members.

(c) 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:

	2022	2021
	\$	\$
(i) Revenue from services		
Revenue from monthly berth fees from Directors/Directors related entities	60,861	51,750
(ii) Debentures		
Debentures held with Directors/Directors related entities	475,000	375,000
Debentures interest paid/payable to Directors/Directors related entities	<u>19,236</u>	<u>18,157</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

18 Fair Value Measurement

The Club measures the following assets and liabilities at fair value on a recurring basis:

- Property, plant and equipment
 - Marina and Moorings
 - Clubhouse
 - Leasehold Improvements

The Club does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

This note explains the judgements and estimates made in determining the fair values of the non-financial assets that are recognised and measured at fair value in the financial statements.

	Total
30 April 2022	\$
Recurring fair value measurements	
Property, plant and equipment	
Marina and Moorings	11,729,900
Clubhouse	1,765,820
Leasehold premises	1,004,280
	14,500,000

Valuation techniques used to determine fair values

An independent valuation of the Marina and Moorings, Leasehold premises and Clubhouse was undertaken by an independent valuer in 2013 using the capitalisation of earnings method, based on a capitalisation rate of 9.25%.

The directors' have performed a Directors Valuation at 30 April 2022 using a consistent capitalisation of earnings method as had been performed by the independent valuers in 2013. Key assumptions adopted by the Directors in this valuation include:

- Projected net commercial income of the marina berths and moorings based on expected future occupancy levels;
- Commercial rental value of land property currently occupied and used by the Club, with an allowance for expected vacancies and operating expenses;
- Adjustments for future capital expenditure expectations; and
- Average capitalisation rate of 8.75%.

The fair value of the Marina and Moorings, Leasehold Premises and Clubhouse at 30 April 2022 based on the capitalisation of earnings method was assessed as \$14,500,000, with a net gain of \$3,066,109 recorded as Other Comprehensive Income for the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

19 Contingencies

Estimates of the potential financial effect of contingent liabilities that may become payable.

Bank guarantee

Middle Harbour Yacht Club Limited had the following security deposits held with Westpac, classified as term receivables within trade and other receivables:

- \$41,596 in respect of their Maritime Service account (2021: \$81,689).

20 Controlled Entities

	Principal place of business / Country of Incorporation	Percentage Owned (%) [*] 2022	Percentage Owned (%) [*] 2021
Parent Entity:			
Middle Harbour Yacht Club	Australia	100	100
Subsidiaries:			
MHYC Holdings Pty Limited	Australia	100	100
MHYC Marina Management Pty Limited	Australia	100	100
MHYC Foundation Pty Ltd	Australia	100	100

^{*}The percentage of ownership is in proportion to ownership.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

21 Cash Flow Information

Reconciliation of net income to net cash provided by operating activities:

	2022	2021
	\$	\$
Profit for the year	130,054	133,536
Non-cash flows in profit:		
- depreciation and amortisation	583,967	555,226
- interest on lease liability	62,850	34,743
- lease modification expense	21,191	-
- loss on disposals	5,508	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(36,694)	23,641
- decrease in inventories	8,777	21,828
- (decrease)/increase in trade and other payables	(147,863)	361,110
- decrease in other liabilities	(201,023)	(130,900)
- (decrease)/increase in provisions	(22,000)	22,888
Cashflows from operations	<u>404,767</u>	<u>1,022,072</u>

22 Events after the end of the Reporting Period

The financial report was authorised for issue on 22 June 2022 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.

23 Company Details

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

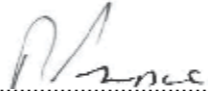
Middle Harbour Yacht Club Limited
Lower Parriwi Road
The Spit
Mosman NSW 2088

DIRECTORS' DECLARATION

The directors of the entity declare that:

- The financial statements and notes, as set out on pages 6 to 27, are in accordance with the *Corporations Act 2001* and:
 - comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - give a true and fair view of the financial position as at 30 April 2022 and of the performance for the year ended on that date of the entity.
- In the directors' opinion, there are reasonable grounds to believe that the entity 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 
R Aldis

Director 
P Lewis

Dated: 04 July 2022

MIDDLE HARBOUR YACHT CLUB LIMITED

ABN: 95 000 248 887

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF MIDDLE HARBOUR YACHT CLUB LIMITED

For the Year Ended 30 April 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MIDDLE HARBOUR YACHT CLUB LIMITED

Report on the Audit of the Financial Report

Opinion

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

In our opinion, the accompanying financial report of Middle Harbour Yacht Club Limited, is in accordance with the *Corporations Act 2001*, including:

- (a) Giving a true and fair view of the company's financial position as at 30 April 2022, and of its financial performance for the year then ended; and
- (b) Complying with the Australian Accounting Standards – Reduced Disclosure Requirements and *Corporations Regulations 2001*.

Basis for Opinion

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

We 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 Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

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under Professional Standards Legislation

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

Emphasis of Matter - Going Concern

Without qualification to the opinion expressed above, we draw attention to Note 2(a) in the financial report which indicates the Company is in a net current liability position of \$1,178,115 at 30 April 2022. The Company's ability to continue as a going concern is contingent upon its ability to achieve its projected trading budget and to successfully renegotiate or replace the debenture loans as they fall due.

These conditions indicate the existence of an uncertainty which may cast doubt over the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 April 2022, but does not include the financial report and our auditor's report thereon.

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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:

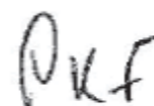
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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.

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors 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, action taken to eliminate threats or safeguards applied.



PKF



KYM REILLY
PARTNER

4 JULY 2022
SYDNEY, NSW



MHYC

MIDDLE HARBOUR YACHT CLUB