

# **The Darwin Sailing Club Inc**

**ABN 66426984213**

**Annual Report - 30 June 2023**

**The Darwin Sailing Club Inc**  
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**30 June 2023**

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**The Darwin Sailing Club Inc**  
**Boards' report**  
**30 June 2023**

The Board presents their report, together with the financial statements, on the Club for the year ended 30 June 2023.

**Board Members**

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

**Board Members:**

Jon Wardill OAM	Commodore
Michelle Batenburg	Vice Commodore
Ryan Sanders	Secretary
Katrina Harding	Treasurer
Marcus Ilton	Board Member
Graeme Sergeant	Board Member
Steve Winspear	Board Member

**Principal activities**

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

- to promote and encourage participation in the sailing and racing of all types of sailing craft on Darwin Harbour, surrounding waters and elsewhere;
- to provide training and education in the use and operation of marine vessels and related activities, to foster marine safety and the preservation of the marine environment;
- to participate in community activities relevant to the Club's purposes; and
- to provide and maintain Club premises and facilities for the members of the Club.

**Significant Changes**

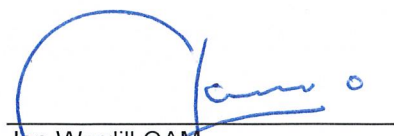
No significant change in the nature of these activities occurred during the year.

**Operating Result**

The net deficit of the Club for the financial year ended 30 June 2023 is \$136,510 (2022: net deficit of \$22,163).

	2023 \$	2022 \$
<b>Deficit for the year</b>	<b>(136,510)</b>	<b>(22,163)</b>
Capital sailing grants	-	(175,840)
Capital house grants	(25,104)	(26,998)
Loss of vessel – insurance proceeds	(69,500)	-
Loss of vessel – loss on sale	-	45,309
<b>Adjusted deficit, net of depreciation and capital-based income</b>	<b>(231,114)</b>	<b>(179,692)</b>
Add back depreciation	300,046	288,008
<b>Adjusted surplus before depreciation</b>	<b>68,932</b>	<b>108,316</b>

On behalf of the boards

  
Jon Wardill OAM  
Commodore

  
Katrina Harding  
Treasurer

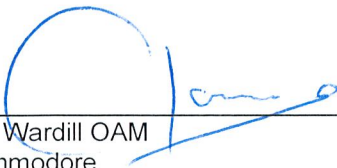
30 October 2023

**The Darwin Sailing Club Inc**  
**Boards' declaration**  
**30 June 2023**


In the Board's opinion:

- the Club is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 2 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Northern Territory legislation, the *Associations Act 2003* and associated regulations;
- the attached financial statements and notes comply with the Accounting Standards as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Club's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board.



Jon Wardill OAM  
Commodore



Katrina Harding  
Treasurer

30 October 2023

**The Darwin Sailing Club Inc**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2023**

	<b>Note</b>	<b>2023</b> <b>\$</b>	<b>2022</b> <b>\$</b>
<b>Revenue</b>			
Bar and merchandise sales		2,373,537	2,203,172
Cost of sales	4	<u>(1,346,707)</u>	<u>(1,224,169)</u>
		1,026,830	979,003
Other revenue	5	<u>1,160,104</u>	<u>1,051,766</u>
Total revenue		<u>2,186,934</u>	<u>2,030,769</u>
<b>Expenses</b>			
Governance, administration and other expenses	6	(80,177)	(126,516)
Accounting fees		(4,042)	(5,859)
Audit fees		(10,161)	(9,850)
Depreciation expenses		(300,046)	(288,008)
Employment expenses - other than bar		(860,839)	(820,944)
Sailing, boat park and training expenses		(129,123)	(37,037)
Asset management expenses		(516,477)	(393,779)
Publicity expenses		(6,484)	(16,583)
Hospitality expenses		(264,327)	(216,008)
Interest and bank charges		(27,161)	(32,368)
Insurance expense		<u>(124,607)</u>	<u>(105,980)</u>
Total expenses		<u>(2,323,444)</u>	<u>(2,052,932)</u>
<b>Deficit for the year</b>	14	(136,510)	(22,163)
Other comprehensive income for the year		-	-
<b>Total comprehensive loss for the year</b>		<u><u>(136,510)</u></u>	<u><u>(22,163)</u></u>

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

**The Darwin Sailing Club Inc**  
**Statement of financial position**  
**As at 30 June 2023**

	<b>Note</b>	<b>2023</b> <b>\$</b>	<b>2022</b> <b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	802,091	774,161
Trade and other receivables	8	46,260	20,279
Inventories	9	89,923	69,591
Prepayments	10	143,739	114,456
Total current assets		<u>1,082,013</u>	<u>978,487</u>
<b>Non-current assets</b>			
Property, plant and equipment	11	<u>2,301,384</u>	<u>2,513,410</u>
Total non-current assets		<u>2,301,384</u>	<u>2,513,410</u>
<b>Total assets</b>		<u>3,383,397</u>	<u>3,491,897</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	380,009	333,212
Provisions	13	<u>40,898</u>	<u>59,685</u>
Total current liabilities		<u>420,907</u>	<u>392,897</u>
<b>Total liabilities</b>		<u>420,907</u>	<u>392,897</u>
<b>Net assets</b>		<u>2,962,490</u>	<u>3,099,000</u>
<b>Members' Funds</b>			
Asset Revaluation Reserves		1,954,328	1,954,328
Accumulated surplus	14	<u>1,008,162</u>	<u>1,144,672</u>
<b>Total members' funds</b>		<u>2,962,490</u>	<u>3,099,000</u>

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

**The Darwin Sailing Club Inc**  
**Statement of changes in equity**  
**For the year ended 30 June 2023**

	<b>Asset Revaluation Reserves \$</b>	<b>Accumulated Surplus \$</b>	<b>Total members' funds \$</b>
Balance at 1 July 2021	1,954,328	1,166,835	3,121,163
Deficit for the year	-	(22,163)	(22,163)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(22,163)	(22,163)
Balance at 30 June 2022	<u>1,954,328</u>	<u>1,144,672</u>	<u>3,099,000</u>

	<b>Asset Revaluation Reserves \$</b>	<b>Accumulated Surplus \$</b>	<b>Total members' funds \$</b>
Balance at 1 July 2022	1,954,328	1,144,672	3,099,000
Deficit for the year	-	(136,510)	(136,510)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(136,510)	(136,510)
Balance at 30 June 2023	<u>1,954,328</u>	<u>1,008,162</u>	<u>2,962,490</u>

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

**The Darwin Sailing Club Inc**  
**Statement of cash flows**  
**For the year ended 30 June 2023**

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		3,231,538	2,968,739
Payments to suppliers and employees (inclusive of GST)		(3,419,009)	(2,787,255)
Grants received		219,379	98,476
Interest received		7,659	719
Insurance recoveries		82,882	20,207
Net cash from operating activities	15	<u>122,449</u>	<u>300,886</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	11	(94,519)	(299,106)
Grants received to acquire property, plant and equipment		-	18,250
Proceeds from disposal of property, plant and equipment		-	1,364
Net cash used in investing activities		<u>(94,519)</u>	<u>(279,492)</u>
Net increase in cash and cash equivalents		27,930	21,394
Cash and cash equivalents at the beginning of the financial year		<u>774,161</u>	<u>752,767</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>802,091</u></u>	<u><u>774,161</u></u>

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



**The Darwin Sailing Club Inc**  
**Notes to the financial statements**  
**30 June 2023**

**1. General information**

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

The Darwin Sailing Club Inc is a not-for-profit Club, incorporated and domiciled in Australia.

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

The financial statements were authorised for issue on 30 October 2023.

**2. Significant accounting policies**

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

**New or amended Accounting Standards and Interpretations adopted**

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

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

**Basis of preparation**

In the Board's opinion, the Club is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Northern Territory legislation the *Associations Act 2003* and associated regulations. The Board has determined that the accounting policies adopted are appropriate to meet the needs of the Board of The Darwin Sailing Club Inc.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for profit oriented entities.

*Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

*Critical accounting estimates*

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

## **2. Significant accounting policies (continued)**

### **Revenue recognition**

The Club recognises revenue as follows:

#### *Revenue from contracts with customers*

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

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

#### *Sale of goods*

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

#### *Rendering of services*

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

#### *Grants*

Grant revenue is recognised in profit and loss when the Club satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the Grant which must be satisfied before the Club is eligible to retain the contribution, the Grant will be recognised in the statement of financial position as a liability until those condition are satisfied.

#### *Interest*

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

#### *Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

### **Income tax**

As the Club is a tax-exempt institution in terms of subsection 50-10 of the *Income Tax Assessment Act 1997*, as amended, it is exempt from paying income tax.

### **Current and non-current classification**

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

## **2. Significant accounting policies (continued)**

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

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

### **Cash and cash equivalents**

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

### **Trade and other receivables**

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

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

### **Inventories**

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

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

### **Property, plant and equipment**

Property, plant and equipment Land and buildings are shown at fair value, based on periodic valuations by external independent valuers, when determined necessary by the Board less subsequent depreciation and impairment for buildings. The last valuation was conducted in 2018. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Buildings	1-39 years
Capital improvements	3-10 years
Plant and equipment	2.5-20 years
Furniture and fittings	5-10 years
Motor vehicles and tractors	8 years
Careening Piles	10 years
Sail training fleet and powerboats	3-14 years

## **2. Significant accounting policies (continued)**

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

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

### **Impairment of non-financial assets**

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

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

### **Trade and other payables**

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

### **Employee benefits**

#### *Short-term employee benefits*

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

#### *Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

### **Fair value measurement**

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

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

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

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

## **2. Significant accounting policies (continued)**

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

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

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

### **New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Club for the annual reporting period ended 30 June 2023. The Club has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

## **3. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

### *Allowance for expected credit losses*

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

### *Provision for impairment of inventories*

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

### *Fair value measurement hierarchy*

The Club is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

### *Estimation of useful lives of assets*

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

### **3. Critical accounting judgements, estimates and assumptions (continued)**

#### *Employee benefits provision*

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

### **4. Cost of sales**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Opening stock	(69,591)	(51,471)
Net purchases during the year	(767,957)	(732,545)
Employment expenses - bar	(599,081)	(509,744)
Less: Closing stock	89,922	69,591
	<u>(1,346,707)</u>	<u>(1,224,169)</u>

### **5. Other revenue**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Sailing income	40,210	31,929
Sponsorships and publicity	105,788	88,105
Grant income	185,844	293,293
Boat park income	72,647	76,416
Training income	135,120	103,533
Function income	295,112	242,507
Membership income	126,710	124,266
Rent and lease income	46,021	45,364
Commissions - ATM	1,060	1,327
Interest income	7,659	719
Raffle and event ticket sales	38,327	8,217
Other income	22,724	15,883
Insurance recoveries	82,882	20,207
	<u>1,160,104</u>	<u>1,051,766</u>

### **6. Governance, administration and other expenses**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Badge draws	3,487	7,360
Computer and internet costs	14,127	13,761
Licenses, fees and permits	9,465	7,201
Management committee expenses	-	109
Miscellaneous and other expenses	4,174	5,378
Office, postage, printing and stationery	14,451	11,413
Subscriptions and memberships	7,949	7,255
Telephone expenses	2,754	4,326
Yachting NT and Australian sailing fees	17,273	21,738
Loss on disposal of assets	6,497	47,975
	<u>80,177</u>	<u>126,516</u>

**The Darwin Sailing Club Inc**  
**Notes to the financial statements**  
**30 June 2023**

**7. Cash and cash equivalents**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Cash on hand	7,828	8,250
Bendigo saving account	282,177	-
Bendigo main account	41,946	483,913
Bendigo grant account	60,707	11,012
Bendigo term deposit account	375,000	250,000
Clearing accounts	12,083	10,076
Till floats	2,500	2,500
ATM float	19,850	8,410
	<u>802,091</u>	<u>774,161</u>

**8. Trade and other receivables**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Trade receivables	49,260	23,279
Less: Allowance for expected credit losses	<u>(3,000)</u>	<u>(3,000)</u>
	<u>46,260</u>	<u>20,279</u>

**9. Inventories**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Stock on hand	74,468	68,843
Merchandise	<u>15,455</u>	<u>748</u>
	<u>89,923</u>	<u>69,591</u>

**10. Prepayments**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Prepaid insurance	124,034	96,026
Prepaid workers compensation	<u>19,705</u>	<u>18,430</u>
	<u>143,739</u>	<u>114,456</u>

**The Darwin Sailing Club Inc**  
**Notes to the financial statements**  
**30 June 2023**

**11. Property, plant and equipment**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Buildings - at valuation	2,365,205	2,365,205
Less: Accumulated depreciation	<u>(862,717)</u>	<u>(691,973)</u>
	1,502,488	1,673,232
Sailing Training Fleet and Powerboats - at cost	622,937	582,879
Less: Accumulated depreciation	<u>(394,097)</u>	<u>(352,531)</u>
	228,840	230,348
Plant and equipment - at cost	285,261	263,043
Less: Accumulated depreciation	<u>(190,173)</u>	<u>(153,176)</u>
	95,088	109,867
Furniture and fittings - at cost	73,889	60,601
Less: Accumulated depreciation	<u>(31,200)</u>	<u>(15,172)</u>
	42,689	45,429
Motor vehicles and Tractors - at cost	61,648	61,648
Less: Accumulated depreciation	<u>(52,374)</u>	<u>(47,842)</u>
	9,274	13,806
Careening Piles - at cost	27,400	27,400
Less: Accumulated depreciation	<u>(5,593)</u>	<u>(2,853)</u>
	21,807	24,547
Capital Improvements - at cost	474,485	462,485
Less: Accumulated depreciation	<u>(73,287)</u>	<u>(46,304)</u>
	401,198	416,181
	<u>2,301,384</u>	<u>2,513,410</u>

**12. Trade and other payables**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Trade payables	112,753	112,030
Revenue received in advance	62,525	62,262
Grant income	42,985	9,450
Other payables	37,134	36,944
GST Payable	32,696	32,498
Payroll liabilities	<u>91,916</u>	<u>80,028</u>
	<u>380,009</u>	<u>333,212</u>



**The Darwin Sailing Club Inc**  
**Notes to the financial statements**  
**30 June 2023**

**13. Provisions**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Annual leave	28,310	48,281
Long service leave	12,588	11,404
	<u>40,898</u>	<u>59,685</u>

**14. Accumulated surplus**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Accumulated surplus at the beginning of the financial year	1,144,672	1,166,835
Deficit for the year	<u>(136,510)</u>	<u>(22,163)</u>
Accumulated surplus at the end of the financial year	<u>1,008,162</u>	<u>1,144,672</u>

**15. Reconciliation of deficit to net cash from operating activities**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Deficit for the year	(136,510)	(22,163)
Adjustments for:		
Depreciation expense	300,046	288,006
Loss on sale of assets	6,497	47,975
Change in operating assets and liabilities:		
Increase in trade and other receivables	(25,981)	(5,627)
Increase in inventories	(20,332)	(18,120)
Increase in prepayments	(29,283)	(696)
Increase/(decrease) in trade and other payables	46,799	(18,836)
Increase/(decrease) in employee benefits	<u>(18,787)</u>	<u>30,347</u>
Net cash from operating activities	<u>122,449</u>	<u>300,886</u>

## INDEPENDENT AUDITOR'S REPORT

To the members of The Darwin Sailing Club Inc

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of The Darwin Sailing Club Inc (the Association), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the Board's declaration.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Association as at 30 June 2023 and of its financial performance and its cash flows for the year then ended in accordance with the basis of accounting described in note 2.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Association in accordance with ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Emphasis of matter - Basis of accounting

We draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Association to meet the requirements of Northern Territory Associations Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

#### Responsibilities of management and the board for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 2 is appropriate to meet the requirements of Northern Territory Associations Act and for such internal control as management determines is



necessary to enable the preparation and fair presentation of a 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 Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The board is responsible for overseeing the Association'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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

A handwritten signature in black ink, appearing to be 'BDO'.

BDO Audit (NT)

A handwritten signature in black ink, appearing to be 'Casmel Taziwa'.

Casmel Taziwa  
Audit Partner

Darwin: 2 November 2023