

Annual Report 2023-2024

TABLE OF CONTENTS

Contents

Office Bearers	2
Commodore's Comments	3
General Manager's Report	5
Club Captain's Report	7
Treasurer's Report	9
Financial Summary	15
Financial Statements	22
Contact Us	41

OFFICE BEARERS

Office Bearers

GENERAL COMMITTEE

ROLE	NAME
Commodore	Georgie Silverwood
Vice Commodore	Scott Llewelyn
Rear Commodore	Mark Klemens
Secretary	Tim Collett
Treasurer	Andrew Scott
Club Captain	Harry Mighell
Committee	Debra Kwasnicki
Committee	Howard Critchley
Committee	Jessica Hansen
Committee	Richard Martin
Committee	Rollo Wright

OUR TEAM

ROLE	NAME
General Manager	Gavin Wall
Academy Manager	David White
Accounts & Membership	Karen Harvey
Finance	Deborah Hodgson
Events	Ainslee Duncan
House Manager	Ben Logan
Executive Chef	Matthew Moore Hunter
Member Engagement & Sponsorship	Hollie Hick
Sailing Operations Officer	Julia Mackinnon
Restaurant	Laura Smith
Maintenance	Paul Patterson

COMMODORE'S COMMENTS

Commodore's Comments

This is my final report as Commodore. Having served as Commodore for three years it is time for me to hand over the helm.

It is fair to say that during my tenure, our Club has weathered quite a few storms; from COVID, to the closure of the Clubhouse for the redevelopment until finally a fully functioning Club, on and off the water, over the 2023/24 season.

I am very proud of the work that has been undertaken to develop and launch our new Strategy (see below) and I am excited to watch the Club bring this to life over the coming year. I was also thrilled that we were recently named Victorian Sailing Club of the Year (Category A), a testament to the work of our volunteers, sailors, General Committee, management and staff over not just the past 12 months, but a number of years including well before my time as Commodore.

OUR STRATEGY



You will see in this Annual Report that the Club has again returned a surplus, and our balance sheet remains in a reasonable position. I can report that at the time of writing, over 74% of Subscriptions have been paid, which is a collection record, and I thank those of you who have paid your 2024/25 Subscriptions. A key component of our debt management strategy is to reduce interest costs via an offset facility, and your timely payment of Subscriptions has meant that we have been able to deposit over \$1.5m already into this offset facility, making a substantial saving on interest. Other debt mitigation strategies include:

- Our upcoming Fundraising Campaign;
- A continued focus on cost management to drive end of year surplus to be put towards debt reduction; and
- Building levies to be paid directly against principal repayments.

COMMODORE'S COMMENTS

We have enhanced Club governance with the addition of a Finance Sub-Committee and a Nominations Committee and refreshed a number of Club Committee Charters.

Our membership has remained stable, with the normal resignations and new member intakes almost offsetting each other. Our current total membership count sits at 4,288 as at 30 June 2024. Further information in relation to our membership is on page 13 of this report.

You will have seen a few changes in the Management Team over the past 12 months with Bernard McCarthy, Ben Fels, Robert Skipper and David Sherlock leaving our Team. We have, however, promoted Matthew Moore Hunter into the Executive Chef role, and Julia Mackinnon will be stepping up to take on most of Ben's duties. Ben Logan has been recruited to the House Manager position.

As always, we could not host the regattas and numerous Club events without our dedicated and passionate staff and volunteers, and of course our sponsors, and I take this opportunity to thank them all for their support throughout the year.

I would also like to extend a thank you to our General Committee, Sailing Committee and the many sub-committees within our Club. They work very hard, and I am very grateful for their support.

Our Club Treasurer, Club Captain and General Manager will go into more detail on the Club achievements, which leaves me to just say thank you for your support during my time as Commodore. It has been a privilege to lead this Club, and I will continue to be an active Member, just with a little bit more time on my hands.



Georgie Silverwood
Commodore
September 23, 2024

GENERAL MANAGER'S REPORT

General Manager's Report

It gives me great pleasure to reflect on our achievements over the 2023-24 year.

STRATEGIC HIGHLIGHTS

Our first full season in the new Clubhouse has proven to be a success, with positive feedback from our Members, despite a few building glitches and some delays in getting the memorabilia back up on display.

The launch of our Strategy as mentioned in the Commodore's report is a culmination of the feedback from the numerous Member forums and Committee planning workshops. I thank everyone for their input, and I hope you feel proud of the outcome *Sailing for All, Sailing for Life* which ensures we are focusing on growing and supporting Couta Boat and OTB fleets whilst continuing to provide outstanding experiences for all of our Members, on and off the water.

Accordingly, there has been a renewed emphasis on sailing, spearheaded by the 2023/24 Club Captain and Sailing Committee. We have seen growth in our youth sailing program which has laid a strong foundation for the future, with special recognition to Bret Levenspiel, Tess Lloyd and James McLennan for their exceptional work with the 29ers. The camaraderie within the Couta Boat fleet has been outstanding, with post-sailing drinks and food on the deck and western lawn culminating in a successful presentation night that celebrated both Couta Boat and OTB sailors.

Volunteering has remained a pivotal aspect of our Club, as evidenced by the impressive turnout of 100 Members at the working bee held in October 2023. Members contributed their time and efforts towards various Club initiatives, from maintenance of the jetty, gardens, hardstand and picnic tables, to painting lockers and organising flags and PFDs. The sense of community and shared responsibility among our Members is truly amazing.

Another key area of focus over the last 12 months has been to enhance Members' access to and enjoyment of the Club, improving security measures on the western lawn and the deck, and maximising capacity in a way that allows Members to fully utilise the facilities without overcrowding. We will soon have an electronic Guest Sign In system in place and I ask you as Members to ensure Guests accord with the Club's Code of Conduct and help us meet our Liquor License sign in requirements.

OPERATING HIGHLIGHTS

Throughout the year, we have organised diverse Member-focused events, including band nights, trivia nights, and themed social gatherings. The restructuring of our Food and Beverage offerings has been aimed at better catering to the needs of our diverse membership base, ensuring a more inclusive and enjoyable experience for everyone.

Work is nearing completion on the implementation of a more sophisticated Asset Maintenance Program with the implementation of SharePoint to support a holistic approach including routine and breakdown maintenance. All our operational assets from a RIB to a fridge are now listed with all the information for warranty and contract support information are held in a secure and readily accessible database. We will be rolling SharePoint out to other areas of our operation over the next twelve months.

GENERAL MANAGER'S REPORT

Underpinning all of our endeavours is the continued need for good financial management to ensure SSCBC continues to meet its liabilities, grows and remains the premier club in Victoria.

Having a new strategy is all well and good but it is now over to the operational team to focus on delivering. This will involve the further development and support of our volunteers (both on and off the water), membership engagement through sailing and social events, working bees and targeted communication, continued development of the SSCBC sailing program and on water opportunities for current and new sailors, maintenance of the Club's assets both on and off the water, and ongoing focus on our food and beverage offering to ensure it continues to meet the needs of our Members.

LOOKING AHEAD

I look towards continuing to revitalise our Club, taking full advantage of our wonderful facilities and being able to provide a haven for sailing enthusiasts and a place that meets the desires and needs of our diverse membership base.

On a personal note, I would like to thank our Commodore Georgie Silverwood and the General Committee. The dedication that Georgie and the General Committee have for the Club is immense and the support they have shown me, and the operational team is greatly appreciated. Thanks, must also go to the operational team for their dedication and professionalism. While we have seen some long serving team members move on and new people move into those roles, we remain focused on ensuring we deliver on all our Members' expectations.

Finally, I would like to thank you, our Members, for your support over the last 12 months. We have an amazing Club with a great culture and the desire of the membership to help myself and the team is greatly appreciated.



Gavin Wall

General Manager

September 17, 2024

CLUB CAPTAIN'S REPORT

Club Captain's Report

COUTA BOAT RACES

Pleasingly, our Couta Boat fleet has seen a resurgence this year, with robust growth across every racing event on our calendar. Highlights include:

2024 carsales Portsea Cup	45 boats (+25% on last year)
2023/2024 TLC Healthcare CBA Nationals	39 boats (+25%)
SheSails Lady Skippers Race	39 boats (+20%)
Sorrento Cup	35 boats (+65%)
Acacia Energy Next Gen	27 boats (+10%)

Following a series of difficult seasons, marked by COVID and the redevelopment of the Clubhouse, this year was an important step towards rebuilding our sailing programs.

Club Champions - Aggregate

Div 1 PH Club Champion: *Ripple* Phil Bainbridge

Div 1 LH *Margarita* Harry Mighell

Div 2 PH Club Champion: *Pike* Stephen Davies

Div 2 LH *Jessamine* Sunday Gibson

Most improved award – Yamaha Trophy - *Alice* C7 Graham Hodges

Bernie Ross Award – *Lachie* McKenzie

Barnie Beauchamp Award – *Chris* Clapp

Club Captain's Award – *Andrew Skinner & Peter Hannah*

Ralph Wilson Award – *James* Mighell

PH = Performance Handicap LH = Line Honours

More detail can be found in Tidings Magazine and full results are on the Club website.

OFF THE BEACH

Our Junior OTB fleet has had a very successful year, with our Optimist sailors celebrating podium finishes at State, National and International level.

The Sailing Centre is lucky to be led by David White and his team who are some of the most highly regarded OTB coaches in the world – we are very fortunate to have them.

The various Regatta Reports in Tidings indicate the strength and breadth of OTB involvement from Optis through to the 2023 WASZP World Games. It is wonderful to see our juniors progress through the fleets and get out there and mix it with the best in the State, Australia and the World.

We've placed particular emphasis this year on our growing youth fleet. We've seen more junior sailors transition to youth classes this year which has been incredibly encouraging. With our strong recent history in the skiff classes, we are also very proud to see Henri & Miles Levenspiel and Jorja & Mason Mahoney flying the flag for SSCBC in the 29er class. The season was highlighted by Henri & Miles place 2nd at the 29er Vic State titles and a strong result from both teams at the East Coast Championship held on St Georges River.

CLUB CAPTAIN'S REPORT

OTB – Club Championships

Optimist green	opti Inter	Open	ILCA	ILCA7
1 st Charlie McLaren	1 st Charlie Kelley	1 st Tate Cantwell	1 st Aidan Simmons	1 st John Riley
2 nd George Gardiner	2 nd Tom Bonnett	2 nd Acklin Stent	2 nd Holly Cantwell	
3 rd Lucas Mulder	3 rd Tyler Deeth	3 rd Augustas Buividas	3 rd Callum Simmons	
Bill Russell Award – Charlie McLaren				
Warwick Vase – International Success – Casey Imeneo				
Mike Haig – Henry Levenspiel				

More detail can be found in Tidings Magazine and full results are on the Club website.

THANK YOU

I'd like to thank all who have made this season possible; my first as Club Captain. From our wonderful staff, volunteers in the tower, race officers, bosuns, committees and parents, it's been huge year and I'm incredibly grateful for the support we have received along the way.

Harry Mighell

Club Captain

September 17, 2024

Sailing Committee 2023-24:

- Harry Mighell
- Andrew Skinner
- Kate Hannah
- Nick Williams
- Scott Llewelyn
- Will Phillips
- Rhys Tucker

TREASURER'S REPORT

Treasurer's Report

OVERVIEW

After my first year as Treasurer, I am pleased to present my Treasurer's report to the Sorrento Sailing Coutu Boat Club (SSCBC, the Club) Members.

The Club recorded strong financial performance during 2023-2024 with a net profit after depreciation (surplus) of \$433,963; an improvement on that budgeted of 27%.

Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) for 2023-2024 was \$1,263,106, 8.8% over budget and underlying EBITDA of \$539,713 was 3.90% over budget.

The Club's financial position has strengthened with balance sheet net assets of \$5,793,958 at June 2024 representing an improvement over the prior year June 2023 of \$433,963.

Cash at bank at the end of June 2024 of \$626,038 was a positive outcome; an improvement on that budgeted of \$285,028 and without any 2024-2025 Member subscriptions received in advance (2023-2024 Member subscriptions were levied in May 2023 with a significant sum actually received in 2022-2023).

Clubhouse redevelopment debt at 30 June 2024 was \$3,977,354, up from 30 June 2023 \$2,829,173 and with the development complete, the facility has converted to principal and interest repayments (previously interest only) from July 2024. The facility principal repayments are set to have the facility repaid over a 6 ½ year period. Future building levies raised will be used entirely to repay Club debt.

For 2024-2025, the Club has budgeted a conservative net profit of circa \$300,000, an underlying EBITDA of circa \$325,000 and a year-end cash at bank position of approximately \$650,000 after annual Club debt repayments of \$600,000.

The Club continues to maintain strong operational, financial and budgetary controls with appropriate governance and oversight at management and General Committee level.

During 2023-2024, the Club formed a financial sub-committee under the powers of the Club constitution to further enhance Club governance and oversight. The subcommittee comprises General Committee members and general Members and meets periodically to consider Club financial performance and financial position, budget and fiscal control, banking and finance, financial audit and insurance and provides recommendation to the General Committee.

Following this overview, I have included further information and detail to that reported in the annual financial statements to provide better information to Members of the Club.

TREASURER'S REPORT

OPERATING UNIT PERFORMANCE

Set out in the table and commentary below is a summary of the relative performance of each operating unit within the Club for the year ended 30 June 2024 and 30 June 2023 respectively.

\$000s	2024	2023	Var
Net club fees	2,829	2,609	220
Members services	(222)	(141)	(81)
Food and beverage	243	(347)	590
Sailing	(230)	(240)	10
Training centre	(89)	(103)	14
Communications and sponsorship	126	70	56
Maintenance	(452)	(396)	(56)
Net general and administration	(1,206)	(653)	(554)
Operating unit surplus/(deficit) before depreciation	998	799	199
Depreciation	(565)	(381)	(184)
Reported surplus/deficit	434	418	15

Club Fees include annual Member subscriptions, annual building levies and the amortised portion of new Member admission fees.

Member services comprising Member events and merchandise sales includes a revenue increase on 2023 with the return of Member events and accordingly our costs have increased. This is a factor of the Member events but a truer allocation of salary and wage costs, with 50% of the Communications and Sponsorship Manager salary attributed to this department due to the additional responsibilities for Member engagement and the recognition of the reception coverage and bus driver services.

Food and beverage as reported last year, the Committee expected to see a return to surplus in this department, and they have delivered a surplus of \$243k which is a big turnaround on the deficit of \$347k in 2023. A major contributor to this is the 12 months of trade, but there have been significant efforts placed on cost control across the department.

Sailing and Training costs represent wages for our permanent and casual employees on water team. Year on year expenses show marginally better results with efficiencies. Both Sailing and Training delivered under their budgeted deficits.

Communications and sponsorship improved due to the return of sponsor events and the apportionment of the manager's wage across this area and membership. This area delivered ahead of budget and well ahead of the prior year expenditure.

Maintenance costs reported in 2024 are higher than 2023 at a total difference of \$56k. Savings on Clubhouse repairs and maintenance, given we would be in a new building, have not come to fruition as budgeted. Unfortunately, we have uncovered a series of poor build areas (from Lloyd Group) and design issues which have resulted in a greater spend. Energy costs in the new building are extremely high with all of the additional plant, along with cleaning costs. We have also seen a lift in repairs/fees this year.

Net general and administration reported a cost increase over the 2023 year. The majority contributor being the increase of interest on the debt facility: \$174.5k, insurance on the new Clubhouse: \$73k, a doubling of energy expenditure: \$48k, and increases in payroll tax: \$38k and Workcover: \$15.6k. These last two expenses are factors of the increased labour costs associated with 12 months of operations and also increase in government charges.

TREASURER'S REPORT

UNDERLYING EBITDA

Underlying EBITDA is an important metric to assess the extent to which Club operations are funded by ordinary operations and the 2024 result saw an improved position of circa \$277,000 with joining fees and building levies removed from the EBITDA calculation.

\$000s	2024	2023	Var
Reported surplus/deficit	434	418	15
Add back			
Net interest	265	82	183
Depreciation	565	381	184
Reported EBITDA	1,264	881	383
Joining fees and other deferred income	(198)	(207)	9
Building levy	(525)	(410)	(115)
Underlying EBITDA	541	264	277

CASH AT BANK: BUDGET COMPARED TO FORECAST COMPARED TO ACTUAL

The following table is a summary of the budgeted cash at bank at year end 30 June 2024 as was budgeted at the start of the financial year when compared to the half year forecast and the accrual result.

\$000s	Jun-24		Jun-24	Jun-23
	Actual Bank	Forecast @ Dec-23	Budget@ June 2023	Actual Bank
Cash at Bank Balance	626	238	285	1,271

Cash at bank \$1,207,841 at June 2023 was extraordinarily increased by 2023-2024 Member fees levied in advance of the 2023-2024 financial year in May 2023 rather than on 1 July 2023 with over \$1,000,000 received before 30 June 2023.

2023-2024 BUDGETED PROFIT & LOSS VS ACTUAL

The following table is a summary of the budgeted profit & loss for the year end 30 June 2024 as was budgeted at the start of the financial year when compared to the half year forecast and the accrual result.

\$000s	2023-24		2023-24
	Actual	Forecast @ Dec-23	Budget
Net club fees	2,829	2,713	2,703
Members services	(222)	(245)	(241)
Food and beverage	243	96	102
Sailing	(230)	(267)	(266)
Training centre	(89)	(92)	(100)
Communications and sponsorship	126	102	118
Maintenance	(452)	(391)	(367)
Net general and administration	(1,206)	(1,163)	(1,111)
Gross Profit	998	753	837
Depreciation	(565)	(525)	(497)
Net Profit	434	228	340
EBITDA			
Interest expense less interest income	265	271	324
Depreciation	565	525	497
EBITDA	1,264	1,024	1,161
Joining fees and other deferred income	(198)	(150)	(111)
Building levy	(525)	(513)	(530)
Underlying EBITDA	541	361	519

TREASURER'S REPORT

BUDGETED MEMBER LEVIES 2024-2025

Cub Member levies are expected to be similar to 2023-2024 having regard to Member movements and are budgeted as follows:

\$000s	2024-2025
Annual Subscriptions	2,195
Building Levies	604
Admission Fees	212

CAPITAL EXPENDITURE

Capital expenditure in 2024 totaled \$1.164m, the majority of which related to the finalization of the Clubhouse redevelopment. Notwithstanding, the following key investments were made to sustain operations:

- Highfield Patrol 660 acquisition;
- Replacement engines for three of our support boats;
- Replacement of two sewer pumps; and
- The installation of SharePoint to support our maintenance program and breakdown management.

The latter being the first step in rolling out more streamlined and integrated operational processes across the Club.

\$000s	2024
IT	16
Support fleet	112
Food & Beverage	1
General Building and Grounds	45
Jetty Refurbishment	-
Other	4
Capital expenditure (ex redevelopment)	178
Building Works	953
Catering Equipment & Furniture	-
Office Furniture & Wifi	-
Project Management & Administration	21
Design Consultants	12
Redevelopment expenditure	986
Total capital expenditure	1,164

TREASURER'S REPORT

CASH AND DEBT POSITION

At 30 June 2024, the cash on hand balance was \$626k and Club debt was \$3.977k. The Club debt facility has a limit of \$4.0m but sits at \$3.97m at year end. Liquidity is budgeted to be sufficient to fund Club operations for the year.

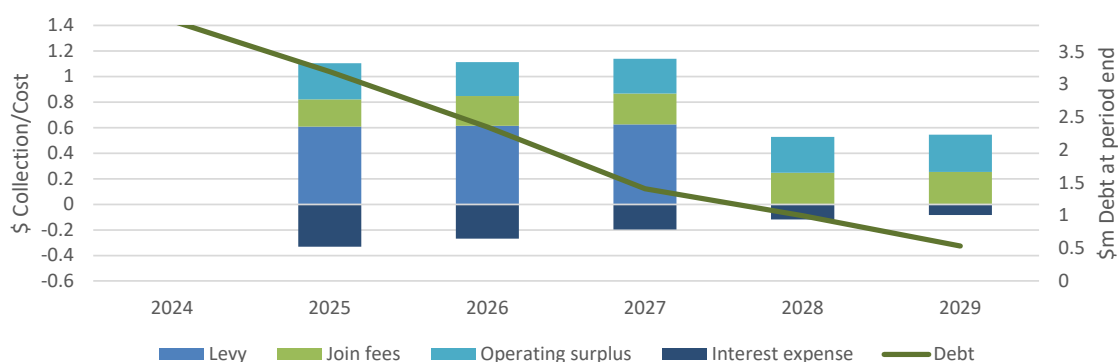
Prompt repayment of the debt remains a priority of the Club. The key sources of funding to repay debt include:

- Building levies which have been set to cover principal repayments;
- Admission fees for new Members;
- Operating surpluses; and
- Fundraising activities.

Set out below is an illustrative debt pay down chart based on the following assumptions:

- Club debt is \$3.97m at June 2024;
- Building levies are in place for a further three years i.e. 2025, 2026 and 2027 financial years (total five years of levies) and retained at the 2024-25 rate;
- New Members' admission fees of \$212k in 2025 increasing at 3% per year. This can be achieved largely through Member churn with low or nil increase in membership numbers. Should the Club have capacity for net Member growth, income from admission fees could be further increased to expedite repayment;
- An operational surplus of circa 300k in 2025 (after sustaining capex) increasing at 3% per year; and
- Interest expense of 8.367%.

Illustrative debt paydown



As shown by the chart, under the scenario outlined, debt at the end of calendar year 2029 can be repaid. Fundraising has the potential to materially improve this profile, and the General Committee is working on multiple initiatives on this front. The purpose of this analysis is to demonstrate that repayment within an acceptable timeframe is feasible under a scenario of supportable assumptions. I note this analysis is an illustrative scenario and does not represent a commitment around building levies. Determining levies will be a matter for the Committee on an annual basis consistent with the financial requirements and needs of the Club.

TREASURER'S REPORT

Members, I trust the report provides useful information on the financial performance and position of your Club.

A handwritten signature in black ink that reads "Andrew Scott". The signature is written in a cursive style with a long horizontal stroke at the end.

Andrew Scott

Treasurer

September 23, 2024

FINANCIAL SUMMARY

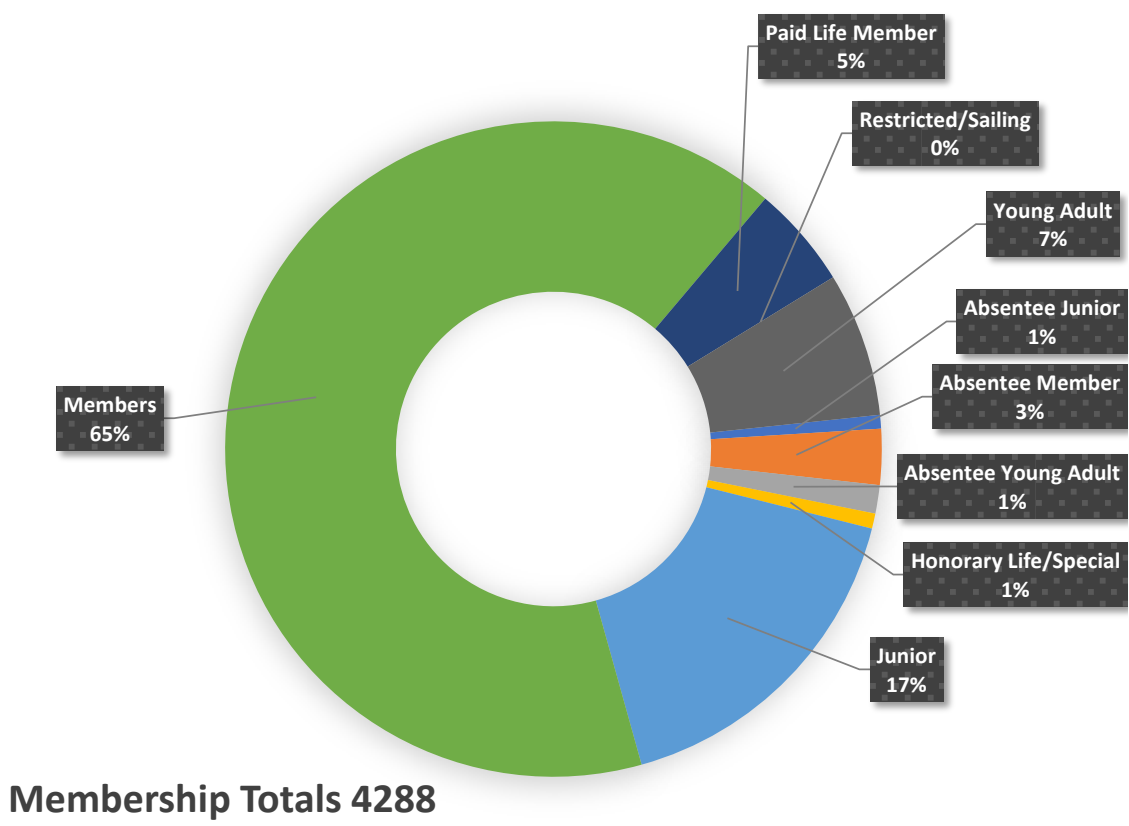
Financial Summary

We have spent this year consolidating our internal processes and improving on our systems and ultimately our service offerings.

The Treasurer’s report speaks to the Financial Statements; below are a few key statistics which add some of the ‘colour’ to our Accounts.

MEMBERSHIP

Membership as at 30 June 2024 sat at a total of 4,288 Members (based on ‘head count’). This is a decrease over 2023 (433) which is a factor of what we term ‘Bill Trimming’ and the process of resigning the Unfinancial Members. The graph below shows the split of membership by category.



FINANCIAL SUMMARY

SAILING CENTRE

The Sailing Centre is the first introduction for young sailors to get involved on the water at Sorrento. We work with every age group, with the aim of keeping sailors engaged from Learn to Sail right the way up to Couta Boat sailing. We have many pathways to achieve this aim, with passionate stakeholders who care deeply about our Sorrento sailing community. I feel very fortunate to work with parents, coaches and Class Associations to foster this love of sailing in every way I can. This year it was fantastic to see so many people making great memories on the water in a variety of ways.

Our Sailing Centre season kick started in the September holidays. This year we had cracker weather and had great sessions on the water. We had lots of our sailors graduate from our Learn to Sail program to our Team Sorrento coaching group and it was great to see new families buy boats and join our clan.

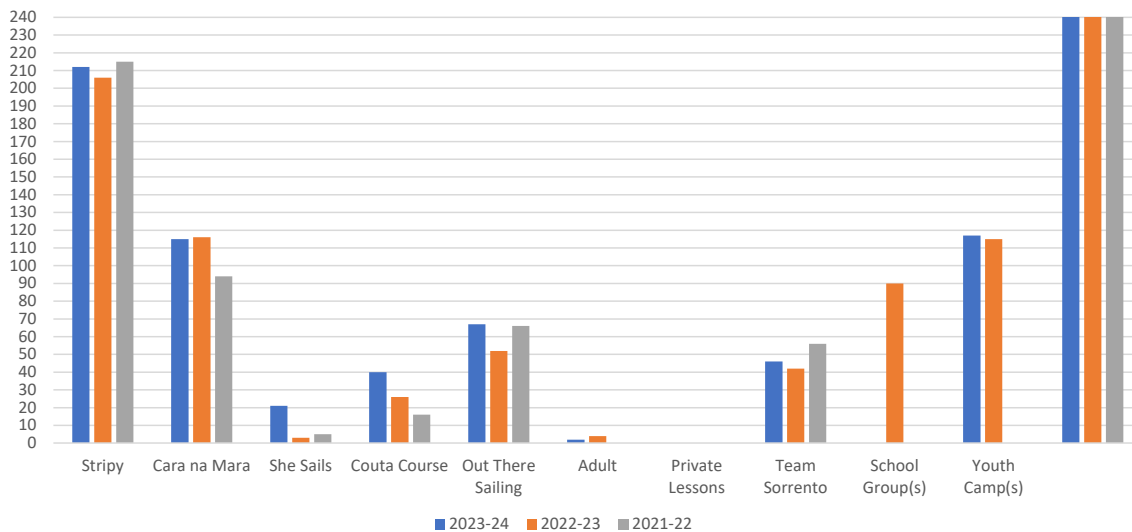
To help store our boats, our hardstand received a few upgrades over last winter and you may have noticed the new Optimist racks built by Adam Richards, Bret and Henri Levenspiel which makes a big difference to maximising space. On that note, the reintroduction to the working bee last year gave the grounds and sailing assets some serious love. A big thank you to all those who gave up their time to prep us for the season and if you have the time again this October, it's really appreciated.

Our bread and butter at the Sailing Centre is our Team Sorrento Sunday training which runs from September to April. Our biggest class is the Optimist which saw impressive Green Fleet numbers throughout the season. Our Optis enjoyed great successes again this year. I feel very proud of all Team Sorrento sailors who put such effort into improving and having fun with their sailing.

We had a few Opti sailors move up to our youth fleet, which has been a large part of our strategy this year so it's fantastic to see increasing numbers of youth Members remaining passionate and continuing to enjoy their sailing at the Club. This is an ongoing focus of the Club and we're working hard at creating an environment that supports mates sailing on the water and hanging out afterwards. A big thank you Tess Lloyd, Jack Lloyd, James McClennan and Harry Mighell who helped run a couple of *try days* in the 29er, giving our youth sailors a fun experience and an opportunity to have a go in a supported and nurturing way. Many of these sailors went on to participate in our Youth Transition Squad which saw lots more activity in this area after the busy January period.

Arguably our most successful and popular program at the Club and an area that is gaining lots of momentum is our Couta Crew (Ripple) program. The original aim of the program was to get more people active on Couta Boats. It has morphed into something so much more and is one of the most active WhatsApp groups at the Club! This program has gone from strength to strength, and this isn't by accident. A big thank you to Phil Banbridge and Lachie Mackenzie who put so much time and energy into this. Lachie was recognised for his enormous contributions at the presentation night, being awarded the Bernie Ross Award. I am very excited to see what next season has in store for this program.

FINANCIAL SUMMARY



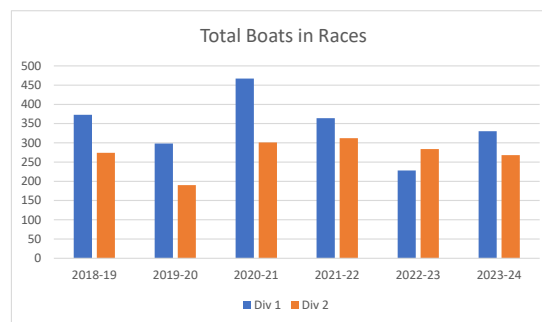
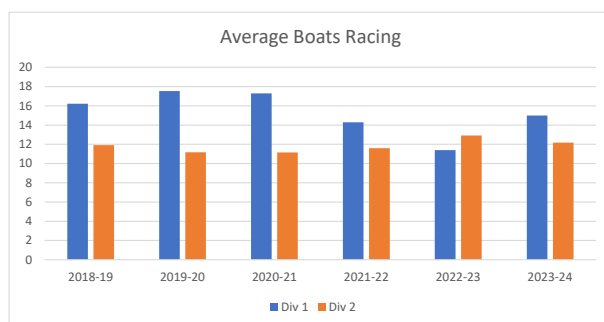
We had a busy but very successful Team racing season as well this year:

- The Club supported the first Balcombe Grammar School Team racing program which involved students taking part in racing at Davies Bay against other schools across the peninsula. We supported the Balcombe team by providing our Club, boats and weekly coaching in the lead up to this regatta which is set to start up again in spring;
- Through VIODA, the Club ran a team racing clinic for the Optimist Class in November which led to another Optimist National Championship awarded to SSCBC Members;
- Several Team Sorrento sailors raced in the Victorian Schools Team racing titles which had close to 200 students competing; and
- Our Next Gen group of sailors travelled to Tasmania to retain their 2K Teams Racing National title.

A big thank you to our amazing volunteer team and parents who make our season possible. This year it was great to celebrate and share the prizegiving with the Couta Boat sailors and I'm excited to see how next year unfolds.

SAILING

Aggregate Couta Boat participation improved slightly in Division 1 with an increase of two boats, and Division 2 remained on par with the 2022-23 season.



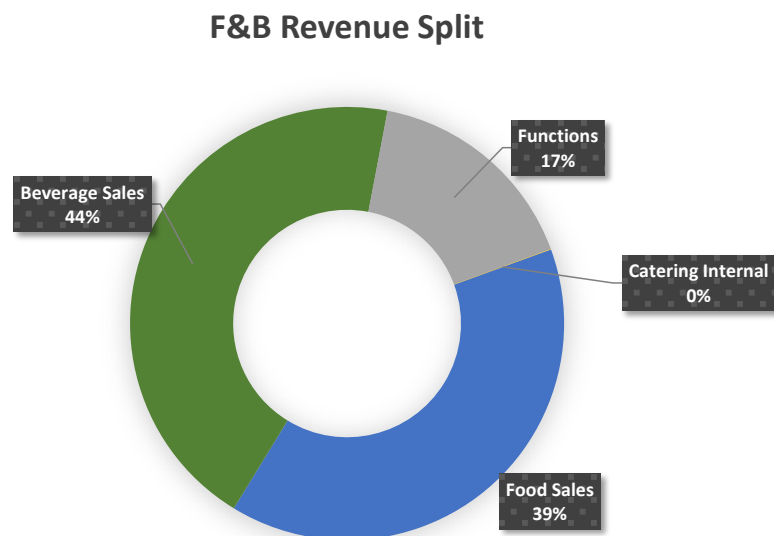
FINANCIAL SUMMARY

The largest racing days were those which had accompanying events associated with them, this year the carsales Portsea Cup was the biggest event with 45 boats closely followed by the TLC Healthcare CBA Nationals and SheSails Lady Skippers Race, both on 39 boats.

Aligning with the new strategy, *Sailing for All, Sailing for Life*, we have restructured the Sailing department to focus on supporting our volunteers in the delivery of on water racing. David White (Academy Manager) has a focus on introducing new Members to sailing and developing them through the pathways to become regular sailors at SSCBC, whilst Julia MacKinnon (Sailing Operations Officer) has a focus on Club racing and volunteer support and development.

FOOD AND BEVERAGE

The ability to provide a food and beverage offering for a full 12 months has given us an additional \$1.5m over the previous year, effectively returning this operation back to pre-COVID times. The following graph shows the percentage split of Food and Beverage revenue:



COMMUNICATIONS

Social Media

Pleasingly, our social media presence has increased considerably over the period, with a growth of 176.5% in our reach (views of content) on Facebook, and 13.4% on Instagram, compared with the previous financial year. The visits (number of times our page was visited) increased on Facebook by 74% and Instagram by 19% over this financial year.

Interestingly, you can see the breakdown of our audience demographic across the two platforms below.

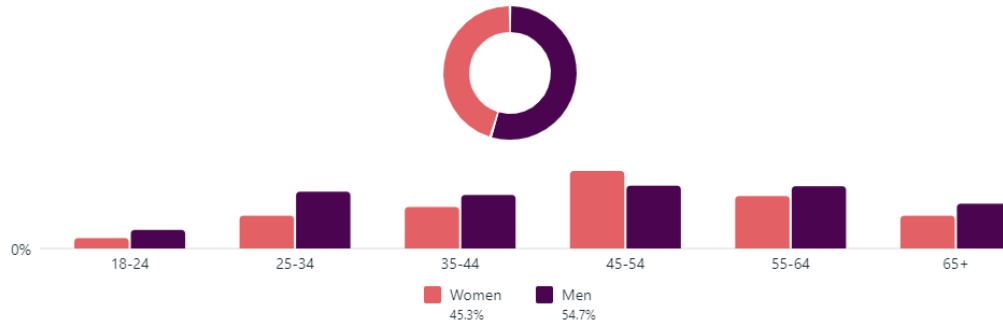
We will continue to engage our social media followers in news, events and current happenings at the Club. Engagement spikes considerably during times of hosting major regattas at the Club, such as the WASZP Games and Youth Championships during this year.

FINANCIAL SUMMARY

Facebook followers ⓘ

3,631

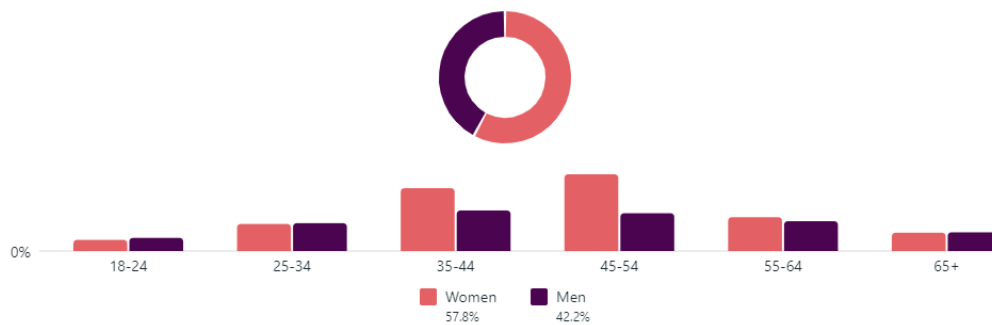
Age & gender ⓘ



Instagram followers ⓘ

3,304

Age & gender ⓘ



E-newsletter

Our *eTidings* weekly (emailed) newsletter and our Clubhouse newsletter have both shown a decline in readership over the past 12 months. We are currently undertaking a Communications review to understand the ideal frequency and format of these communications and how we can best meet the needs of our Members. We have conducted some research on what other Clubs are producing to ensure we are delivering the best communication possible so you may notice some changes in the coming period.

Magazine

Our Member magazine, *Tidings*, is mailed to Members once per year, around July / August, to report on the previous season and Club activities, as well as providing an overview of the upcoming season, including sailing, events, volunteer news, Committee reports and sponsor news. If you would rather not be posted a copy, please let us know.

Website

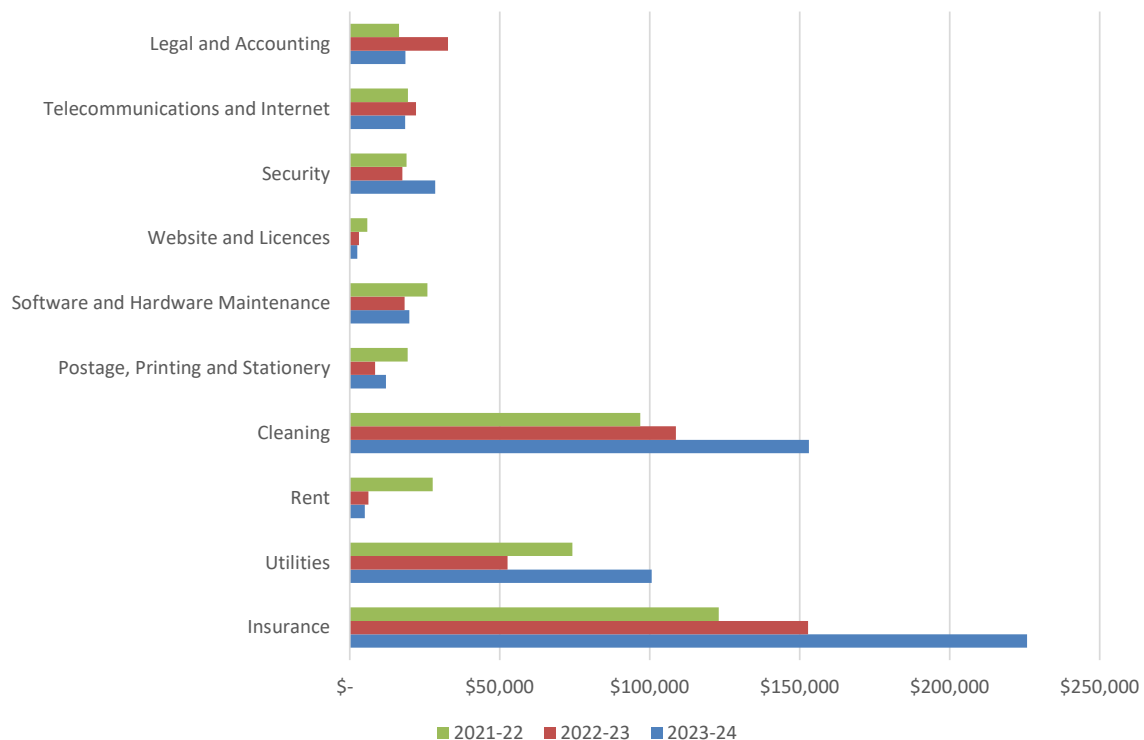
The Boat Cam and Regattas (Zhik Youth Sail Vic 2024) pages were the most visited on our site (35,000 users) over the period. News & Events is the next most visited page on our site, so Members and visitors are going

FINANCIAL SUMMARY

to the News section to keep up with what's on. We aim to keep the website as up to date as possible so please visit the site to book sailing courses, the dining room, login to update your details and keep informed of upcoming news and events.

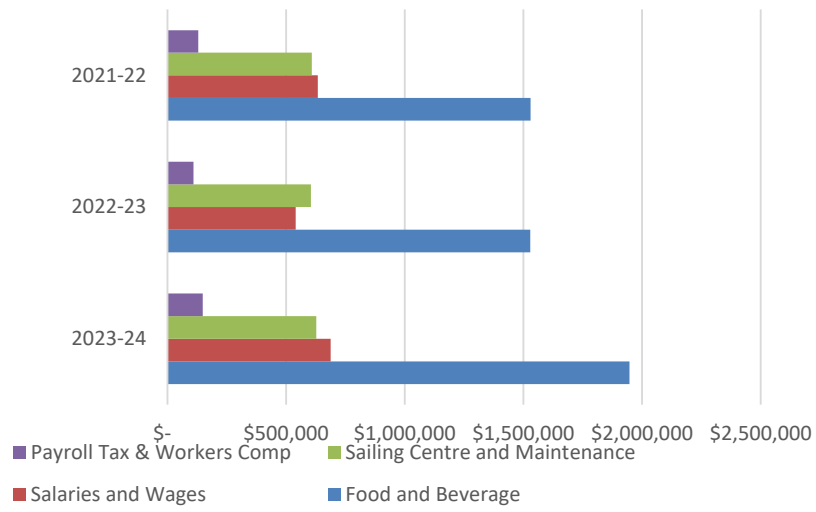
EXPENDITURE

The charts below show a comparison of the major administrative expenditure of the Club.



FINANCIAL SUMMARY

The following graph shows the employment costs for the Club.



FINANCIAL STATEMENTS

Sorrento Sailing Couta Boat Club Incorporated

ABN: 25 436 684 059

Sorrento Sailing Couta Boat Club Incorporated

ABN: 25 436 684 059

Registration Number: A0010032B

Financial Statements

For the Year Ended 30 June 2024

FINANCIAL STATEMENTS

Sorrento Sailing Couta Boat Club Incorporated

ABN: 25 436 684 059

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year 30 June 2024

		2024	2023
	Note	\$	\$
Revenue	3	7,375,500	5,602,197
Cost of sales	4	(3,188,054)	(2,282,159)
Gross profit		<u>4,187,446</u>	3,320,038
Administrative expenses		(1,059,534)	(867,629)
Depreciation expenses		(564,509)	(380,620)
Department expenses	4	(1,838,927)	(1,518,564)
Other expenses		(13,824)	(36,431)
Interest expenses		<u>(276,689)</u>	(98,390)
Profit for the year		<u><u>433,963</u></u>	<u>418,404</u>
Other comprehensive income			
Total comprehensive income for the year		<u><u>433,963</u></u>	<u>418,404</u>

FINANCIAL STATEMENTS

Sorrento Sailing Cousta Boat Club Incorporated

ABN: 25 436 684 059

STATEMENT OF FINANCIAL POSITION

For the Year 30 June 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	626,038	1,207,841
Trade and other receivables	6	9,243	19,739
Inventories	7	116,040	49,606
Other assets	8	145,186	156,561
TOTAL CURRENT ASSETS		896,507	1,433,747
NON-CURRENT ASSETS			
Property, plant and equipment	9	12,783,664	12,193,660
Right-of-use assets	10	63,665	68,996
TOTAL NON-CURRENT ASSETS		12,847,329	12,262,656
TOTAL ASSETS		13,743,836	13,696,403
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	181,114	318,994
Borrowings	12	739,574	142,539
Lease liabilities		4,052	3,843
Employee benefits	13	247,947	256,237
Other liabilities	14	435,652	1,697,439
TOTAL CURRENT LIABILITIES		1,608,339	2,419,052
NON-CURRENT LIABILITIES			
Borrowings	12	3,377,354	2,829,173
Lease liabilities		67,995	71,639
Employee benefits	13	46,091	-
Other liabilities	14	2,850,099	3,016,544
TOTAL NON-CURRENT LIABILITIES		6,341,539	5,917,356
TOTAL LIABILITIES		7,949,878	8,336,408
NET ASSETS		5,793,958	5,359,995
EQUITY			
Reserves		-	37,433
Retained earnings		5,793,958	5,322,562
TOTAL EQUITY		5,793,958	5,359,995

FINANCIAL STATEMENTS

Sorrento Sailing Couta Boat Club Incorporated

ABN: 25 436 684 059

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2024

2024

	Retained Earnings	Asset Realisation Reserve	Total
	\$	\$	\$
Balance at 1 July 2023	5,322,562	37,433	5,359,995
Surplus attributable to members	433,963	-	433,963
Transfer from/(to) reserves	37,433	(37,433)	-
Balance at 30 June 2024	5,793,958	-	5,793,958

2023

	Retained Earnings	Asset Realisation Reserve	Total
	\$	\$	\$
Balance at 1 July 2022	4,904,158	37,433	4,941,591
Surplus attributable to members	418,404	-	418,404
Balance at 30 June 2023	5,322,562	37,433	5,359,995

FINANCIAL STATEMENTS

Sorrento Sailing Couta Boat Club Incorporated

ABN: 25 436 684 059

STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2024

	2024	2023
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	7,860,479	6,006,945
Payments to suppliers and employees	(8,159,465)	(3,317,404)
Interest received	12,056	16,281
Finance costs	(276,689)	(98,390)
Net cash provided by/(used in) operating activities	19 <u>(563,619)</u>	<u>2,607,432</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	582	60,741
Purchase of property, plant and equipment	(1,163,512)	(7,353,196)
Net cash provided by/(used in) investing activities	<u>(1,162,930)</u>	<u>(7,292,455)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	1,148,181	2,829,173
Payment of lease liabilities	(3,435)	(2,295)
Net cash provided by/(used in) financing activities	<u>1,144,746</u>	<u>2,826,878</u>
Net increase/(decrease) in cash and cash equivalents held	(581,803)	(1,858,145)
Cash and cash equivalents at beginning of year	1,207,841	3,065,986
Cash and cash equivalents at end of financial year	5 <u><u>626,038</u></u>	<u><u>1,207,841</u></u>

FINANCIAL STATEMENTS

Sorrento Sailing Couta Boat Club Incorporated
ABN: 25 436 684 059

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2024

The financial statements represent Sorrento Sailing Couta Boat Club Incorporated (the 'Club') as an individual entity. Sorrento Sailing Couta Boat Club Incorporated is a not-for-profit Club incorporated in Victoria under the *Associations Incorporation Reform Act (VIC) 2012* ('the Act').

The functional and presentation currency of Sorrento Sailing Couta Boat Club Incorporated is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

The financial statements were authorised for issue by the Club Committee on 17 September 2024.

1 Basis of Preparation

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

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.

Material accounting policy information relating to the preparation of these financial statements is presented below, and are consistent with prior reporting periods unless otherwise stated.

2 Material Accounting Policy Information

(a) Revenue and other income

Revenue from contracts with customers

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Club and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Revenue from the sale of goods and services 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.

Revenue from the provision of membership subscriptions is recognised on a straight-line basis over the financial year.

Admission fees are brought to account as revenue over the same time period as the average tenure of membership (assumed to be 20 years).

Life memberships and life locker use rights are brought to account as revenue over the expected use period which is based on life expectancy.

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

Other revenue is recognised when the right to receive the revenue has been established.

FINANCIAL STATEMENTS

Sorrento Sailing Cousta Boat Club Incorporated
ABN: 25 436 684 059

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2024

2 Material Accounting Policy Information

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Club expects to receive in exchange for those goods or services. 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 to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Specific revenue streams

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

Sale of goods

Revenue from sale of goods is recognised when the goods are physically transferred to the customer.

Member subscriptions, admission fees, merchandise and gallery, and sponsorship and advertising

Income from these sources is recognised when the income is earned which is usually when the service is performed.

(b) Income tax

The Club is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Inventories

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

(d) Property, plant and equipment

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

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Club, commencing when the asset is ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

FINANCIAL STATEMENTS

Sorrento Sailing Couta Boat Club Incorporated

ABN: 25 436 684 059

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2024

2 Material Accounting Policy Information

(d) Property, plant and equipment

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

Fixed asset class	Depreciation rate
Buildings	2.5%
Plant, Equipment and Furniture	10%-33.3%
Water Storage & Treatment	2.5%-3%
Jetty	5%
Boats	7.5%-20%
Moorings	2.5%
Motor Vehicles	22.5%-33.3%

(e) Leases

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Club recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Club believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model, depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Club's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Club's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Club has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Club recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

FINANCIAL STATEMENTS

Sorrento Sailing Cousta Boat Club Incorporated

ABN: 25 436 684 059

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2024

2 Material Accounting Policy Information

(f) Employee benefits

Provision is made for the Club's liability for employee benefits, those 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 one year 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 Association 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.

(g) Going concern

The Club generated a profit for the year ended 30 June 2024 of \$433,963 (2023 - profit \$418,404) and cash flows from operating activities of \$(563,619) (2023 \$2,607,432). The Statement of financial position shows a net current asset deficiency as of 30 June 2024 of \$(711,833), which includes income and other amounts received in advance of \$435,652 .

At 30 June 2024 the Club had net assets of \$5,793,958, cash reserves of \$626,038 and a bank facility of \$4,000,000 of which \$3,977,354 has been drawn down. The financial statements have been prepared on the basis that the club is a going concern which contemplates the continuity of business activity, plus realisation of assets and settlement of liabilities in the normal course of business.

Management have prepared a detailed budget for the next 12 months in order to monitor income, expenditure and cash balances month by month. the budget demonstrates that all commitment's and operations can be funded utilising operational cash flows and the banking facilities available to the Club.

Management and the Committee are confident that based on the cash flow forecast that the Club will maintain adequate cash reserves such that the Club will be able to meet its debts as and when they fall due.

FINANCIAL STATEMENTS

Sorrento Sailing Couta Boat Club Incorporated

ABN: 25 436 684 059

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2024

3 Revenue and Income

	2024	2023
	\$	\$
- Sale of goods and services	4,853,330	3,027,680
- interest income	12,056	16,714
- membership fees	2,187,053	2,022,889
- admission fees	198,325	182,991
- life memberships and lockers	46,645	45,897
- other income	78,091	306,025
Total Revenue	7,375,500	5,602,196

4 Cost of Sales and Department Expenses

	2024	2023
	\$	\$
Cost of sales		
Food - Cost of Goods Sold	683,921	451,976
Beverage - Cost of Goods Sold	557,128	301,676
F&B Employment Costs	1,947,005	1,528,507
	3,188,054	2,282,159
Departmental expenses		
Operational Wages and Salaries	879,495	751,121
Australian Sailing Levies	81,136	77,273
Member Services	247,147	166,219
F&B Other	253,636	173,483
Sailing Expenses	128,801	127,592
Maintenance Expenses	202,609	164,404
Communications and Sponsorships	46,103	58,472
	1,838,927	1,518,564

FINANCIAL STATEMENTS

Sorrento Sailing Couta Boat Club Incorporated

ABN: 25 436 684 059

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2024

5 Cash and Cash Equivalents

	2024	2023
	\$	\$
Cash at bank and in hand	626,038	1,207,841
	<u>626,038</u>	<u>1,207,841</u>

6 Trade and Other Receivables

CURRENT		
Trade receivables	6,386	19,739
GST receivable	2,857	-
Total current trade and other receivables	<u>9,243</u>	<u>19,739</u>

7 Inventories

CURRENT		
At cost:		
Food and Beverage	90,764	48,096
Merchandise	25,276	1,510
	<u>116,040</u>	<u>49,606</u>

8 Other Non-Financial Assets

CURRENT		
Prepayments	145,186	156,561
	<u>145,186</u>	<u>156,561</u>

FINANCIAL STATEMENTS

Sorrento Sailing Cousta Boat Club Incorporated

ABN: 25 436 684 059

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2024

9 Property, Plant and Equipment

	2024	2023
	\$	\$
Buildings		
At cost	13,324,286	12,354,150
Accumulated depreciation	<u>(1,863,712)</u>	<u>(1,554,544)</u>
Total buildings	<u>11,460,574</u>	<u>10,799,606</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At directors' valuation	397,282	397,282
At cost	2,664,781	2,827,454
Accumulated depreciation	<u>(1,738,973)</u>	<u>(1,830,682)</u>
Total plant and equipment	<u>1,323,090</u>	<u>1,394,054</u>
Total property, plant and equipment	<u><u>12,783,664</u></u>	<u><u>12,193,660</u></u>

(a) Movements in carrying amounts

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

	Buildings	Plant and Equipment	Total
	\$	\$	\$
Year ended 30 June 2024			
Balance at the beginning of year	10,799,606	1,394,054	12,193,660
Additions	1,005,873	157,639	1,163,512
Disposals	(2,458)	(11,872)	(14,330)
Depreciation expense	<u>(342,447)</u>	<u>(216,731)</u>	<u>(559,178)</u>
Balance at the end of the year	<u><u>11,460,574</u></u>	<u><u>1,323,090</u></u>	<u><u>12,783,664</u></u>

FINANCIAL STATEMENTS

Sorrento Sailing Cousta Boat Club Incorporated
ABN: 25 436 684 059

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2024

10 Leases

Right-of-use assets

	Land \$	Total \$
Year ended 30 June 2024		
Balance at beginning of year	68,996	68,996
Depreciation charge	(5,331)	(5,331)
Balance at end of year	63,665	63,665

The Club has a lease with the Mornington Peninsula Shire for a term of 21 years expiring 1 March 2037.

	Land \$	Total \$
Year ended 30 June 2023		
Balance at beginning of year	89,800	89,800
Depreciation charge	(20,804)	(20,804)
Balance at end of year	68,996	68,996

11 Trade and Other Payables

CURRENT		
Trade payables	83,498	91,503
GST payable	-	127,069
Sundry payables and accrued expenses	97,616	100,422
	181,114	318,994

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

FINANCIAL STATEMENTS

Sorrento Sailing Couta Boat Club Incorporated

ABN: 25 436 684 059

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2024

12 Borrowings

	2024	2023
	\$	\$
CURRENT		
Secured liabilities:		
Bank loans	600,000	-
Insurance Finance	139,574	142,539
Total current borrowings	739,574	142,539
NON-CURRENT		
Secured liabilities:		
Bank loans	3,377,354	2,829,173
Total borrowings	4,116,928	2,971,712

The bank loan is secured by a business security agreement given by Sorrento Sailing Couta Boat Club over all assets. The principal and interest facility is for \$4,000,000 with a variable interest rate, the loan has a maturity date of 31 March 2027.

13 Employee Benefits

CURRENT		
Provision for long service leave	17,355	52,579
Provision for annual leave	230,592	203,658
	247,947	256,237
NON-CURRENT		
Long service leave	46,091	-

FINANCIAL STATEMENTS

Sorrento Sailing Couta Boat Club Incorporated

ABN: 25 436 684 059

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2024

14 Other Liabilities

	2024	2023
	\$	\$
CURRENT		
Deferred Admission Fees	198,325	-
Prepaid Life Membership	35,601	-
Locker Lease	138,276	144,031
Other Unearned Income	61,850	100,680
Pre paid Subscriptions	1,600	1,452,728
Total	435,652	1,697,439
NON-CURRENT		
Prepaid Life Membership	617,397	693,888
Deferred Admission Fees	2,232,702	2,322,656
Total	2,850,099	3,016,544

15 Financial Risk Management

Financial assets

Held at amortised cost

Cash and cash equivalents	626,038	1,207,841
Trade and other receivables	9,243	19,739
Total financial assets	635,281	1,227,580

Financial liabilities

Financial liabilities at amortised cost

Trade Payables	181,115	318,994
Bank Loans	3,977,354	2,829,173
Insurance Finance	139,574	142,539
Total financial liabilities	4,298,043	3,290,706

16 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Club 2024: \$ 558,633 (2023: \$ 512,965).

FINANCIAL STATEMENTS

Sorrento Sailing Cousta Boat Club Incorporated

ABN: 25 436 684 059

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2024

17 Auditors' Remuneration

	2024	2023
	\$	\$
Auditing the financial statements	11,950	9,450
- other services	2,000	-
Total	13,950	9,450

18 Contingent Liabilities

In the opinion of the Committee, the Club did not have any contingent liabilities at 30 June 2024 (30 June 2023: None).

19 Cash Flow Information

(a) Reconciliation of profit for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:		
Profit for the year	433,963	418,403
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	564,509	380,620
- net (gain)/loss on disposal of property, plant and equipment	13,747	(103,523)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	10,496	24,088
- (increase)/decrease in prepayments	11,375	(66,542)
- (increase)/decrease in inventories	(66,434)	(26,404)
- increase/(decrease) in income in advance	(1,431,197)	1,505,744
- increase/(decrease) in trade and other payables	(137,879)	390,583
- increase/(decrease) in provisions	37,801	84,462
Cashflows from operations	(563,619)	2,607,431

20 Events After the End of the Reporting Period

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.

FINANCIAL STATEMENTS

Sorrento Sailing Cousta Boat Club Incorporated
ABN: 25 436 684 059

STATEMENT BY MEMBERS OF THE COMMITTEE

The members of the committee declare that:

1. The financial statements and notes, as set out on pages 22 to 37, are in accordance with the Associations Incorporation Reform Act (VIC) 2012; and
 - a. Comply with Australian Accounting Standards – Simplified Disclosure Standard; and
 - b. Present fairly the financial position as at 30 June 2024 and of the performance for the year ended on that date of the Club.
2. In the member's opinion, there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the elected members of the committee:

Commodore
Georgina Silverwood

Treasurer
Andrew Scott

Dated 26 September 2024

FINANCIAL STATEMENTS

Sorrento Sailing Couta Boat Club Incorporated

ABN: 25 436 684 059

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF SORRENTO SAILING COUTA BOAT CLUB INC.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Sorrento Sailing Couta Boat Club Incorporated (the Club), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the committee.

In our opinion, the accompanying financial report presents fairly, in all material respects, including:

- (i) giving a true and fair view of the Club's financial position as at 30 June 2024 and of its financial performance and its cash flows for the period then ended; and
- (ii) complying with the Associations Incorporation Reform Act 2012 and the Australian Accounting Standards – Simplified Disclosures.

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 (continued)* section of our report. We are independent of the Club in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with the Associations Incorporation Reform Act 2012, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Club's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

FINANCIAL STATEMENTS

Sorrento Sailing Couta Boat Club Incorporated

ABN: 25 436 684 059

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

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

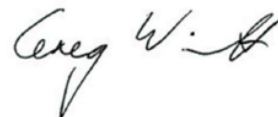
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a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

We communicate with the management 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.



ACCRU MELBOURNE (AUDIT) PTY LTD

26 September 2024



G D WINNETT
Director

CONTACT US

Contact Us

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