

KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2021

KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

CONTENTS

Directors' Report	1
Auditor's Independence Declaration	4
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Directors' Declaration	24
Independent Auditor's Report	25
Auditor's Disclaimer	28
Profit and Loss Statement	29
Departmental Trading, Profit and Loss Statement	31
Profit & Loss Schedules	35

KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

DIRECTORS' REPORT

Your directors present their report on Kurnell Community Sports and Recreation Club Limited (the company) for the financial year ended 30 June 2021.

Directors

The following directors have been in office for the entire financial year unless otherwise stated below and attended the recorded board meetings:

Name of Director	Club Position	Total number of Directors meetings attended	Total number of Directors meetings whilst in office
Gavin Sant	President	10	10
Justin Cavdarovski	Treasurer	10	10
Robert Duncan	Director	9	10
Steve Wilson	Director	9	10
Simon Harvey	Director	9	10
David Cavdarovski (Appointed 29/11/2020)	Director	5	5
James Baxter (Appointed 29/11/2020)	Director	5	5
David Stringer (Resigned 29/11/2020)	Vice President	5	5

Number of Directors meetings

10

Information on Directors

Name of Director	Qualifications	Experience
Gavin Sant	Construction Business Owner	- Director 5 years
Justin Cavdarovski	Operations Manager	- Director 3 years
Robert Duncan	Manager	- Director 4 years
Steve Wilson	Retired	- Director 3 years
Simon Harvey	Manager	- Director 2 years
David Cavdarovski	Business Owner	- Director 1 year
James Baxter	Business Owner	- Director 1 year
David Stringer	Retired	- Former Director 8 years

Members' limited liability

In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$10.00 per member in the event of the winding up of the company during the time that he/she is a member or within one year thereafter. Based on members, the total members' liability would be \$4,930.

Operating results

The profit of the company for the financial year after providing for income tax amounted to \$208,781.

KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

DIRECTORS' REPORT

Objectives

The objectives for which the club is established are to provide for members and for members' guests a community sports and recreational club with all the usual facilities of a club, to look after its members in every possible way by providing service, comfort, entertainment, good food and a wide range of facilities. To cater for every age group, and to give the community a significant proportion of the clubs profits in support of various charities and community organisations.

Short-term

- Increase membership numbers
- Improve the experience of members and efficiency of club operations
- Increase cash reserves of the club
- Maintain level of community support funding

Long-term

- Maintain financial stability of the club
- Ensure facilities continue to cater for members needs

Strategy for achieving the objectives

- Research on members preferences for facilities and services
- Review promotional activity conducted in the club
- Evaluate operational procedures and staff training

Principal activities

The principle activities of the club during the course of the financial year consisted of the conduct and promotion of the licensed club and in house sporting groups and the provision of sporting and recreation facilities to members of the club. There was no significant changes in the nature of the activities of the club during the year.

How these activities assist in achieving the objectives

The principal activities of the club contributed to achieving the objectives by providing a stable base of operations. This ensured the financial position of the club remained stable and generated funds to meet the demands of the club and maintain high levels of service to members and guests.

Performance measurement and key performance indicators

The financial performance of the club is measured against the budget set and benchmark data from the club industry. Some of the criteria reported on are:

- Earnings before Interest Taxation Depreciation and Amortisation (EBITDA)
- Per Capita Spend
- Gross profit margins
- Expense ratios and analysis
- Cash flow

Non-financial performance is assessed by a variety of measures including:

- Members feedback
- Staff turnover
- Comparison with industry wide initiatives
- Market research

KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

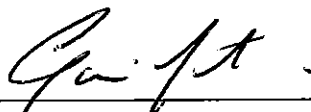
DIRECTORS' REPORT

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

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

Director:


G. Sant

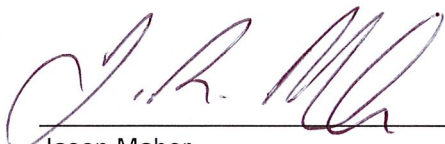
Dated this 8th day of October 2021

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been:

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

Maher Partners Assurance Pty Limited



Jason Maher

Taren Point

Dated this 8th day of October 2021

KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Revenue	2	1,712,751	926,277
Other income	2	773	42,440
		<u>1,713,524</u>	<u>968,717</u>
Cost of sales	3	(358,818)	(225,579)
Depreciation and amortisation expenses	3	(89,206)	(62,971)
Employee benefits expenses		(395,214)	(236,339)
Other expenses		<u>(661,505)</u>	<u>(382,819)</u>
Profit for the year	3	208,781	61,009
Other comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u><u>208,781</u></u>	<u><u>61,009</u></u>
Total comprehensive income attributable to members of the entity		208,781	61,009

The accompanying notes form part of these financial statements.

KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	472,770	328,114
Trade and other receivables	5	14,093	55,368
Inventories	6	34,641	23,559
Other current assets	7	47,632	34,365
TOTAL CURRENT ASSETS		<u>569,136</u>	<u>441,406</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	431,449	260,555
TOTAL NON-CURRENT ASSETS		<u>431,449</u>	<u>260,555</u>
TOTAL ASSETS		<u>1,000,585</u>	<u>701,961</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	222,987	136,934
Borrowings	10	41,413	37,027
Provisions	11	47,981	39,328
Other current liabilities	12	5,582	14,831
TOTAL CURRENT LIABILITIES		<u>317,963</u>	<u>228,120</u>
TOTAL LIABILITIES		<u>317,963</u>	<u>228,120</u>
NET ASSETS		<u>682,622</u>	<u>473,841</u>
EQUITY			
Retained earnings	13	682,622	473,841
TOTAL EQUITY		<u>682,622</u>	<u>473,841</u>

The accompanying notes form part of these financial statements.

KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Note	Retained Earnings \$	Total \$
Balance at 1 July 2019		412,832	412,832
Profit (Loss) attributable to members		61,009	61,009
Balance at 30 June 2020		473,841	473,841
Profit (Loss) attributable to members		208,781	208,781
Balance at 30 June 2021		<u>682,622</u>	<u>682,622</u>

The accompanying notes form part of these financial statements.

KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

		2021	2020
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,741,931	871,074
Payments to suppliers and employees		(1,342,416)	(835,591)
Interest received		2,846	4,903
Net cash provided by operating activities	17	<u>402,361</u>	<u>40,386</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		818	42,440
Payments for property, plant and equipment		(260,145)	(162,165)
Net cash used in investing activities		<u>(259,327)</u>	<u>(119,725)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		45,794	37,027
Repayment of borrowings		(44,172)	-
Net cash provided by financing activities		<u>1,622</u>	<u>37,027</u>
Net increase (decrease) in cash held		144,656	(42,312)
Cash at beginning of financial year		328,114	370,426
Cash at end of financial year	4	<u><u>472,770</u></u>	<u><u>328,114</u></u>

The accompanying notes form part of these financial statements.

KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1 Summary of Significant Accounting Policies

The financial statements cover Kurnell Community Sports and Recreation Club Limited (the company) as an individual entity. Kurnell Community Sports and Recreation Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements, except for the cash flow information, 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.

The financial statements are presented in Australian dollars, which is the company's functional currency, and have been rounded to the nearest dollar.

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

The financial statements were authorised for issue on 08 October 2021 by the directors of the company.

Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Trade and Other Receivables

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for doubtful debts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables is reviewed and an allowance for doubtful debts is recognised when there is objective evidence that individual receivables are not recoverable.

KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a weighted-average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

Property, Plant and Equipment

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

Property

Buildings and leasehold improvements at Kurnell are owned by the company and are erected on land leased from the Caltex Refineries (NSW) Pty Ltd and have historically been amortised over the term of the lease which expired on 1 April 2020. Leasehold improvements made in the 2015 year have been amortised over 10 years with consideration that future leases will be granted.

Make Good Provision on Leased Premises

There are two clauses in the lease agreement which require the company to "make good" the premises on expiration of the lease, including redecoration of the interior and exterior of the premises.

The directors' consider the premises is in good and substantial repair and condition and the costs associated with removing of fixtures and fittings (if required) and redecoration upon termination will not be material. Accordingly provision to "make good" is not considered necessary.

KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Plant and equipment

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

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

The cost of fixed assets constructed within the company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of profit or loss and other comprehensive income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Leasehold Improvements	2.5 - 40.0%
Plant & Equipment	5.0 - 25.0%

The estimated useful life for each class of depreciable assets are:

Class of Fixed Asset	Useful Life
Leasehold Improvements	2.5 - 40 Years
Plant & Equipment	4 - 20 Years

KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Leases

The company as a lessee

The company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In such instances, the company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements, except for short term leases, cancellable leases that if cancelled by the lessee the losses associated with the cancellation are borne by the lessor and low value leased assets. For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Measurement and presentation of lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

The following items are also included in the measurement of the lease liability:

- Fixed lease payments offset by any lease incentives;

- Variable lease payments, for lease liabilities which are tied to a floating index;

- The amounts expected to be payable to the lessor under residual value guarantees;

- The exercise price of purchase options (if it is reasonably certain that the option will be exercised); and

- Payments of penalties for terminating leases, if the lease term reflects the lease terminating early.

The lease liability is separately disclosed on the statement of financial position. The liabilities which will be repaid within twelve months are recognised as current and the liabilities which will be repaid in excess of twelve months are recognised as non-current.

KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

The lease liability is subsequently measured by reducing the balance to reflect the principal lease repayments made and increasing the carrying amount by the interest on the lease liability.

The company is required to remeasure the lease liability and make an adjustment to the right of use asset in the following instances:

The term of the lease has been modified or there has been a change in the company assessment of the purchase option being exercised, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; and

The lease payments are adjusted due to changes in the index or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate. However, if a change in lease payments is due to a change in a floating interest rate, a revised discount rate is used.

Measurement and presentation of right-of-use asset

The right-of-use assets recognised by the company comprise the initial measurement of the related lease liability, any lease payments made at or before the commencement of the contract, less any lease incentives received and any direct costs. Costs incurred by the company to dismantle the asset, restore the site or restore the asset are included in the cost of the right-of-use asset.

It is subsequently measured under the cost model with any accumulated depreciation and impairment losses applied against the right-of-use asset. If the cost of the right-of-use asset reflects that the company will exercise a purchase option, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the company depreciates the asset over the shorter period of either the useful life of the asset or the lease term. The depreciation starts at the commencement date of the lease and the carrying value of the asset is adjusted to reflect the accumulated depreciation balance.

Any remeasurement of the lease liability is also applied against the right-of-use asset value.

The right-of-use assets are presented within Property, Plant and Equipment in the statement of financial position.

Trade and Other Payables

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the company that remain unpaid.

Trade payables are recognised at their transaction price. The carrying values are considered to be a reasonable approximation of the fair values. Trade payables are obligations on the basis of normal credit terms.

KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

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

Revenue and Other Income

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 company and specific criteria relating to the type of revenue as noted below, has been satisfied.

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

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

Sale of goods

Revenue from the sale of goods comprises revenue earned from the provision of food, beverage and other goods to members and other patrons and is recognised at the point the goods are provided as this corresponds to the transfer of significant risks and rewards of ownership of the goods.

Rendering of services

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

Interest revenue

Interest revenue is recognised using the effective interest rate method.

Membership subscriptions

Membership subscriptions paid in advance are initially recognised as a liability. Revenue is recognised on a straight line basis over the membership period, based on the membership category for which subscriptions have been received.

KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Sale of property, plant and equipment

The gain or loss on disposal of property, plant and equipment is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs) and is recognised as other income or other expenses at the date control of the asset passes to the buyer.

Other income

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

Goods and Services Tax (GST)

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

Comparatives

Comparative figures have been adjusted to conform to changes in presentation for the current financial year.

KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
2 Revenue		
Operating activities		
Trading revenue	1,493,217	804,802
Interest received	2,846	4,903
Other revenue	216,688	116,572
Total revenue	<u>1,712,751</u>	<u>926,277</u>
Non-operating activities		
Profit on Sale of Non-current Assets	<u>773</u>	<u>42,440</u>
Other income	<u>773</u>	<u>42,440</u>
3 Profit		
Expenses		
Cost of sales	358,818	225,579
Depreciation - Bar	2,176	2,572
Depreciation - Poker Machines	39,439	26,465
Depreciation - Leasehold Improvements	27,617	24,629
Depreciation - Plant & Equipment	19,974	9,305
Depreciation of property, plant and equipment	<u>89,206</u>	<u>62,971</u>
4 Cash and Cash Equivalents		
Current		
Cash on Hand	2,298	48,389
Cash on Deposit	213,230	210,384
Cash at Bank	<u>257,242</u>	<u>69,341</u>
	<u>472,770</u>	<u>328,114</u>
5 Trade and Other Receivables		
Current		
Other Debtors	-	(9,196)
Accrued Income	14,093	64,564
	<u>14,093</u>	<u>55,368</u>

KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
6 Inventories		
Current		
At cost:		
Bar Stock on Hand	33,453	23,559
Other Stock on Hand	1,188	-
	<u>34,641</u>	<u>23,559</u>
7 Other Assets		
Current		
Prepayments	<u>47,632</u>	<u>34,365</u>
8 Property, Plant and Equipment		
Land and Buildings		
Leasehold Property - at Cost	1,187,443	1,111,310
Less: Accumulated Depreciation	<u>(1,028,035)</u>	<u>(1,000,418)</u>
	159,408	110,892
Total Land and Buildings	<u>159,408</u>	<u>110,892</u>
Plant & Equipment - at Cost	782,472	693,982
Less: Accumulated Depreciation	<u>(667,297)</u>	<u>(648,228)</u>
	115,175	45,754
Bar Equipment - at Cost	102,024	100,779
Less: Accumulated Depreciation	<u>(97,729)</u>	<u>(95,553)</u>
	4,295	5,226
Keno Equipment - at Cost	15,343	15,343
Less: Accumulated Depreciation	<u>(15,343)</u>	<u>(15,343)</u>
	-	-
Poker Machines - at Cost	654,507	599,644
Less: Accumulated Depreciation	<u>(501,936)</u>	<u>(500,961)</u>
	152,571	98,683
Total Plant and Equipment	<u>272,041</u>	<u>149,663</u>
Total Property, Plant and Equipment	<u>431,449</u>	<u>260,555</u>

KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

2021
2020

\$
\$

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.

	Leasehold Improvements	Poker Machines	Plant & Equipment	Total
	\$	\$	\$	\$
Balance at 1 July 2019	108,976	23,777	28,608	161,361
Additions	26,545	101,371	34,249	162,165
Depreciation expense	(24,629)	(26,465)	(11,877)	(62,971)
Balance at 30 June 2020	110,892	98,683	50,980	260,555
Additions	76,133	93,327	90,685	260,145
Disposals	-	-	(45)	(45)
Depreciation expense	(27,617)	(39,439)	(22,150)	(89,206)
Carrying amount at 30 June 2021	159,408	152,571	119,470	431,449

9 Trade and Other Payables

Current

Trade Creditors	128,407	92,195
Other Creditors	94,580	44,739
	222,987	136,934

Financial liabilities at amortised cost classified as trade and other payables

Trade and other payables:

- Total current	222,987	136,934
- Total non-current	-	-
	222,987	136,934
Less non-financial liabilities	(30,617)	(44,739)
Financial liabilities as trade and other payables	192,370	92,195

10 Borrowings

Current

Insurance Premium Funding	41,413	37,027
	41,413	37,027

KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
11 Provisions		
Current		
Provision for Annual Leave	17,269	10,912
Provision for Long Service Leave	30,712	28,416
	<u>47,981</u>	<u>39,328</u>
12 Other Liabilities		
Current		
Income Received in Advance	<u>5,582</u>	<u>14,831</u>
13 Retained Earnings		
Retained earnings at the beginning of the financial year	473,841	412,832
Net profit attributable to members of the company	208,781	61,009
Retained earnings at the end of the financial year	<u>682,622</u>	<u>473,841</u>
14 Capital and Leasing Commitments		
Capital Expenditure Commitments		
Contracted for:		
Plant and equipment purchases	<u>93,931</u>	<u>-</u>
As of 30 June 2021, the company had committed to the purchase of two new poker machines.		
15 Key Management Personnel		
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.		
The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows:		
Key management personnel compensation	<u>245,799</u>	<u>162,578</u>

KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
16 Related Party Transactions		
Transactions between related parties are on normal commercial terms and conditions. These terms and conditions are no more favourable than those available to other parties unless otherwise stated.		
Transactions with related parties:		
Mr James Baxter (Director) is the son of Mr Peter Baxter, director of Baxter Constructions Aust Pty Ltd. This company provided building services throughout the financial year.	28,523	-
Mr James Baxter (Director) is the brother of Mr Matt Baxter, business owner of Baxter Plumbing. This business provided plumbing services throughout the financial year.	24,364	-
Mr David Cavdarovski (Director) is director of Cav Air Services Pty Ltd. This company provided air conditioning and electrical services throughout the financial year.	6,291	-
Mr Gavin Sant (President) is director of GTS Earthworks Pty Ltd. This company was reimbursed for plant and equipment sourced at cost during the financial year.	663	-

KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
17 Cash Flow Information		
a) Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash on Hand	2,298	48,389
Cash on Deposit	213,230	210,384
Cash at Bank	257,242	69,341
	<u>472,770</u>	<u>328,114</u>
b) Reconciliation of Cashflow from Operations with profit after Income Tax		
Operating profit (loss) after income tax	208,781	61,009
Adjustments:		
Profit on sale of non-current assets	(773)	(42,440)
Depreciation	89,206	62,971
Financing flows in operating profits	2,764	-
(Increase) Decrease in inventories	(11,082)	29,293
(Increase) Decrease in trade and other receivables	41,275	(60,519)
(Increase) Decrease in prepayments	(13,267)	(1,328)
Increase (Decrease) in trade and other payables	86,053	2,382
Increase (Decrease) in provisions	8,653	(21,201)
Increase (Decrease) in income in advance	(9,249)	10,219
	<u>402,361</u>	<u>40,386</u>

KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

		2021 \$	2020 \$
18 Financial Risk Management			
The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.			
The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements are as follows:			
	Note		
Financial Assets			
Cash and cash equivalents	4	472,770	328,114
Loans and receivables	5	14,093	64,564
Total Financial Assets		<u>486,863</u>	<u>392,678</u>
Financial Liabilities			
Trade and other payables	9	192,370	92,195
Finance liabilities	10	41,413	37,027
Total Financial Liabilities		<u>233,783</u>	<u>129,222</u>

The net fair value is equivalent to the carrying amount unless otherwise stated.

19 Company Details

The registered office of the company is:

Captain Cook Drive, Kurnell NSW 2231

The principal place of business is:

Captain Cook Drive, Kurnell NSW 2231

The principal activities of the company are Licensed Club.

KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$

20 Disclosure Requirements under Section 41E of the Registered Clubs Act

Core and Non-core Property

Section 41E of the Act defines core property as meaning any real property owned or occupied by a registered club that comprises:

- (a) the defined premises of the club; or
- (b) any facility provided by the club for use of its members and their guests; or
- (c) any other property declared, by resolution passed by a majority of the members present at a general meeting of the ordinary members of the club, to be core property of the club.

Non-core property is defined as meaning any real property owned or occupied by the club that is not core property.

The company's defined premises at Captain Cook Drive, Kurnell NSW 2231 is considered to be core property.

The company is not considered to have any non-core property.

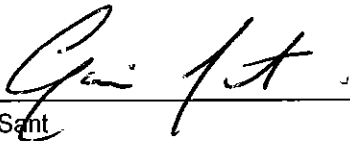
KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 23, are in accordance with the Corporations Act 2001 including:
 - (a) giving a true and fair view of the company's financial position as at 30 June 2021 and of its performance as represented by the results of its operations and its cash flows for the year ended on that date; and
 - (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001; and
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director:  _____
G. Sant

Dated this 8th day of October 2021



INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

Auditor's Opinion

We have audited the accompanying financial report of Kurnell Community Sports and Recreation Club Limited (the company), which comprises the statement of financial position as at 30 June 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the company is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

Basis for Auditor's Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report.

We are independent of the company in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (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.

Other Information

The directors of the company are responsible for the other information. The other information comprises the information included in the directors' report, but does not include the financial report and our auditor's report thereon.

Suite 6, 1 Box Rd, Taren Point NSW 2229 PO Box 2257 Taren Point NSW 2229 T: 02 8522 4500 F: 02 8522 4599 E: info@maherpartners.com.au W: maherpartners.com.au



Liability limited by a scheme approval under Professional Standards Legislation.



Jason Maher & Associates Pty Ltd ABN 28 152 271 791



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and Australian Accounting Standards - Reduced Disclosure Requirements and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility

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

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

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Jason Maher & Associates Pty Ltd ABN 28 152 271 791



maherpartners
ACCOUNTANTS | AUDITORS | ADVISORS

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816**

We 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.

We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors.

We conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Maher Partners Assurance Pty Limited

Jason Maher

Taren Point

Dated this 8th day of October 2021

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Jason Maher & Associates Pty Ltd ABN 28 152 271 791

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

Auditor's Disclaimer to the Members
For the year ended 30 June 2021

The additional data presented in the Profit & Loss Statement and Trading accounts is in accordance with the books and records of the Kurnell Community Sports and Recreation Club Limited (our client) which have been subjected to the auditing procedures applied in the statutory audit of the company for the year ended 30 June 2021. It will be appreciated that the statutory audit did not cover all details of the financial data and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than our client) in respect of such data, including any errors or omissions therein however caused.

Name of Firm: Maher Partners Assurance Pty Limited
Chartered Accountants

Name of Principal:



Jason Maher

Address: Taren Point

Dated this 8th day of October 2021

KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
INCOME		
Bar Trading Account	362,986	157,809
Poker Machine Trading Account	367,488	218,821
Keno Trading Account	(5,224)	494
TAB Trading Account	(23,483)	(28,141)
	<u>701,767</u>	<u>348,983</u>
OTHER INCOME		
Commissions	19,902	9,158
Interest Received	2,846	4,903
Members' Subscriptions & Joining Fees	3,465	7,090
Rents Received	23,460	9,023
Tennis Court Hire	1,482	-
Function Income	99,514	714
Government Subsidies	46,685	62,308
Sundry Revenue	22,180	28,279
Profit on Sale of Non-current Assets	773	42,440
	<u>220,307</u>	<u>163,915</u>
	<u>922,074</u>	<u>512,898</u>

The accompanying notes form part of these financial statements.

KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
EXPENSES		
Accountancy Fees	6,150	13,000
Advertising & Signs	1,632	82
Audit Fees	15,000	15,000
Bank Charges	8,302	5,776
Cash Discrepancies(Surpluses)	(1,336)	838
Cleaning & Pest Control	26,722	7,420
Computer Expenses	9,926	8,159
Courtesy Bus	4,111	1,275
Consultancy Fees	174,689	88,850
Depreciation - Leasehold Improvements	27,617	24,629
Depreciation - Plant & Equipment	19,974	9,305
Net Dining Room & Kitchen Costs	7,575	9,585
Directors' Expenses (Note 1)	962	-
Donations & Sponsorships (Note 2)	18,816	20,169
Entertainment Expenses	24,123	5,686
Foxtel	24,788	17,744
Function Costs	74,217	-
General Expenses	9,782	25,415
Insurance	31,543	32,853
Interest Paid	2,760	19
Intra-Club Costs (Note 3)	371	70
Light & Power	16,537	16,348
Meeting Costs - AGM	-	493
Members Amenities	2,609	489
Printing, Postage, Stationery & Photocopy Costs	4,721	2,242
Promotions (Note 4)	15,036	20,245
Property Maintenance	30,183	6,794
Salaries, Allowances & Leave Provisions	69,044	87,387
Security Costs	32,893	6,041
Staff Costs	6,797	500
Subscriptions	4,051	180
Superannuation Contributions	32,032	19,628
Telephone	5,336	5,667
Waste Disposal	6,330	-
	<u>713,293</u>	<u>451,889</u>
Profit from ordinary activities before income tax	<u><u>208,781</u></u>	<u><u>61,009</u></u>

The accompanying notes form part of these financial statements.

KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
BAR TRADING ACCOUNT		
Sales	1,065,721	541,948
Members Discounts	(100,246)	(59,433)
	<u>965,475</u>	<u>482,515</u>
Less: Cost of Goods Sold		
Opening Inventory	23,559	52,852
Purchases	368,712	196,286
Less Closing Inventory	(33,453)	(23,559)
	<u>358,818</u>	<u>225,579</u>
	<u>606,657</u>	<u>256,936</u>
Gross Profit from Trading		
Less: Direct Costs		
Wages	206,433	78,482
Bar Requisites - Other	10,359	2,557
Depreciation - Bar	2,176	2,572
Stock Reporting	3,200	-
Cleaning	7,637	5,132
Repairs & Maintenance	5,746	2,605
Bar Requisites - Glasses	1,279	710
Electricity	3,436	3,503
Telephone	915	972
Insurance	2,490	2,594
	<u>243,671</u>	<u>99,127</u>
Net Profit from Trading	<u><u>362,986</u></u>	<u><u>157,809</u></u>

The accompanying notes form part of these financial statements.

KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
POKER MACHINE TRADING ACCOUNT		
Clearances	472,673	277,786
Poker Machine Duty/Rebate	17,180	17,181
	<u>489,853</u>	<u>294,967</u>
Less: Direct Costs		
Wages	53,686	26,428
Depreciation - Poker Machines	39,439	26,465
Analysis Costs	10,104	7,325
Electricity	1,145	1,168
Repairs, Maintenance & Service	7,742	8,662
Other Costs	5,521	2,523
Telephone	457	486
Cleaning	1,781	495
Insurance	2,490	2,594
	<u>122,365</u>	<u>76,146</u>
Net Profit from Trading	<u><u>367,488</u></u>	<u><u>218,821</u></u>

The accompanying notes form part of these financial statements.

KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
KENO TRADING ACCOUNT		
Commission Received	<u>20,337</u>	<u>18,571</u>
Less: Direct Costs		
Wages	16,982	11,607
Electricity	1,145	1,168
Printing, Postage and Stationery	204	67
Repairs & Maintenance	2,502	1,660
Telephone	457	486
Cleaning	1,781	495
Insurance	<u>2,490</u>	<u>2,594</u>
	<u>25,561</u>	<u>18,077</u>
Net Profit (Loss) from Trading	<u><u>(5,224)</u></u>	<u><u>494</u></u>

The accompanying notes form part of these financial statements.

KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
TAB TRADING ACCOUNT		
Commission Received	<u>17,552</u>	<u>8,749</u>
Less: Direct Costs		
Wages	17,037	12,807
Electricity	1,145	1,168
Repairs & Maintenance	4,883	3,610
Sky Channel	13,242	15,730
Telephone	457	486
Cleaning	1,781	495
Insurance	<u>2,490</u>	<u>2,594</u>
	<u>41,035</u>	<u>36,890</u>
Net Loss from Trading	<u><u>(23,483)</u></u>	<u><u>(28,141)</u></u>

The accompanying notes form part of these financial statements.

KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

PROFIT AND LOSS SCHEDULES
FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
<u>Note 1: Directors' Expenses</u>		
Honorariums	-	-
Directors Expenses	962	-
	<u>962</u>	<u>-</u>
<u>Note 2: Donations & Sponsorships</u>		
Welfare	9,210	4,300
Kurnell School	-	500
Other Donations	9,606	15,369
	<u>18,816</u>	<u>20,169</u>
<u>Note 3: Intra-Club Costs</u>		
Darts Club	371	70
	<u>371</u>	<u>70</u>
<u>Note 4: Promotions</u>		
Raffles - Friday (net)	(3,133)	(1,310)
Raffles - Sunday (net)	805	189
Trivia	16,531	16,262
Other	833	5,104
	<u>15,036</u>	<u>20,245</u>

The accompanying notes form part of these financial statements.