

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

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2023

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	25
Independent Auditor's Report	26
Auditor's Disclaimer	29
Profit and Loss Statement	30
Departmental Trading, Profit and Loss Statement	32
Profit & Loss Schedules	36

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 2023.

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	12	12
David Cavdarovski	Treasurer	12	12
Robert Duncan	Director	9	12
Steve Wilson	Director	12	12
James Baxter	Director	11	12
Jeffrey Potauaine (appointed 30.04.2023)	Director	4	4
Justin Cavdarovski (resigned 30.04.2023)	Director	9	9
Simon Harvey (resigned 31.05.2023)	Director	6	11

Number of Directors meetings

12

Information on Directors

Name of Director	Qualifications	Experience
Gavin Sant	Construction Business Owner	- Director 7 years
David Cavdarovski	Business Owner	- Director 3 years
Robert Duncan	Manager	- Director 6 years
Steve Wilson	Retired	- Director 5 years
James Baxter	Business Owner	- Director 3 years
Jeffrey Potauaine	Business Owner	- Director <1 year
Justin Cavdarovski	Operations Manager	- Director 5 years
Simon Harvey	Manager	- Director 4 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 820 members, the total members' liability would be \$8,200.

Operating results

The profit of the company for the financial year after providing for income tax amounted to \$4,451.

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

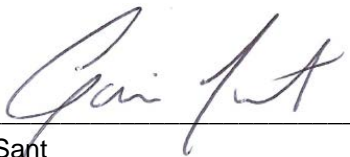
KURNELL COMMUNITY SPORTS AND RECREATION CLUB LIMITED
ABN: 53 001 671 816

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 18th day of October 2023

**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 2023 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 Group Assurance Pty Limited



Trent Atlee

Taren Point

Dated this 18th day of October 2023

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 2023

	Note	2023 \$	2022 \$
Revenue	2	2,226,820	1,661,967
Other income	2	996	1,751
		<u>2,227,816</u>	<u>1,663,718</u>
Cost of sales	3	(491,379)	(298,782)
Depreciation and amortisation expenses	3	(180,316)	(144,546)
Employee benefits expenses		(608,813)	(366,529)
Other expenses		(916,851)	(748,227)
Profit before income tax	3	30,457	105,634
Income tax expense	4	(26,006)	(22,648)
Profit for the year		4,451	82,986
Other comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u><u>4,451</u></u>	<u><u>82,986</u></u>
Total comprehensive income attributable to members of the entity		4,451	82,986

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 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	402,342	435,547
Trade and other receivables	6	45,784	102,759
Inventories	7	30,384	32,013
Other current assets	8	68,211	53,024
TOTAL CURRENT ASSETS		<u>546,721</u>	<u>623,343</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	579,309	539,778
TOTAL NON-CURRENT ASSETS		<u>579,309</u>	<u>539,778</u>
TOTAL ASSETS		<u>1,126,030</u>	<u>1,163,121</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	288,327	301,374
Borrowings	11	-	52,240
Provisions	12	58,736	32,349
Tax liabilities	13	2,908	9,950
Other current liabilities	14	6,000	1,600
TOTAL CURRENT LIABILITIES		<u>355,971</u>	<u>397,513</u>
TOTAL LIABILITIES		<u>355,971</u>	<u>397,513</u>
NET ASSETS		<u>770,059</u>	<u>765,608</u>
EQUITY			
Retained earnings	15	770,059	765,608
TOTAL EQUITY		<u>770,059</u>	<u>765,608</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 2023

	Note	Retained Earnings \$	Total \$
Balance at 1 July 2021		682,622	682,622
Profit (Loss) attributable to members		82,986	82,986
Balance at 30 June 2022		<u>765,608</u>	<u>765,608</u>
Profit (Loss) attributable to members		4,451	4,451
Balance at 30 June 2023		<u><u>770,059</u></u>	<u><u>770,059</u></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 2023

	2023	2022
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and others	2,282,154	1,529,155
Payments to suppliers and employees	(2,047,274)	(1,324,319)
Interest received	6,041	1,054
Finance costs paid	(433)	(184)
Net cash provided by operating activities	19 <u>240,488</u>	<u>205,706</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	2,000	12,240
Payments for property, plant and equipment	(220,850)	(263,364)
Net cash used in investing activities	<u>(218,850)</u>	<u>(251,124)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	57,765
Repayment of borrowings	(54,843)	(49,570)
Net cash provided by (used in) financing activities	<u>(54,843)</u>	<u>8,195</u>
Net decrease in cash held	(33,205)	(37,223)
Cash at beginning of financial year	435,547	472,770
Cash at end of financial year	5 <u><u>402,342</u></u>	<u><u>435,547</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 2023

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 - Simplified Disclosures 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 18 October 2023 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 2023

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 Ampol Refineries (NSW) Pty Ltd and have historically been amortised over the term of the lease. Since 2015, leasehold improvements 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 2023

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 2023

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 2023

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 2023

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 2023

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.

Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting year. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

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 2023

	2023	2022
	\$	\$
2 Revenue		
Operating activities		
Trading revenue	1,979,127	1,227,825
Interest received	6,041	1,054
Other revenue	241,652	433,088
Total revenue	2,226,820	1,661,967
Non-operating activities		
Profit on Sale of Non-current Assets	996	1,751
Other income	996	1,751
3 Profit		
Expenses		
Cost of sales	491,379	298,782
Depreciation - Bar	797	1,639
Depreciation - Poker Machines	95,478	70,132
Depreciation - Leasehold Improvements	49,052	43,194
Depreciation - Plant & Equipment	34,989	29,581
Depreciation of property, plant and equipment	180,316	144,546
4 Income Tax Expense		
Reconciliation between income tax expense and prima facie tax on accounting profit		
Accounting profit / (loss)	30,457	105,634
Tax at 25% (2022: 25%)	7,614	26,409
Adjust for tax effect of:		
Income attributable to members	933	278
Mutuality	6,979	42,130
Tax losses utilised	-	(375)
Other items	10,480	(45,794)
Income tax expense / (benefit) on taxable income	26,006	22,648

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

		2023	2022
		\$	\$
5	Cash and Cash Equivalents		
	Current		
	Cash on Hand	86,968	75,220
	Cash on Deposit	5,677	214,284
	Cash at Bank	309,697	146,043
		<u>402,342</u>	<u>435,547</u>
6	Trade and Other Receivables		
	Current		
	Trade Debtors	14,800	-
	Other Debtors	12,023	(308)
	Accrued Income	18,961	103,067
		<u>45,784</u>	<u>102,759</u>
7	Inventories		
	Current		
	At cost:		
	Bar Stock on Hand	27,531	29,160
	Other Stock on Hand	2,853	2,853
		<u>30,384</u>	<u>32,013</u>
8	Other Assets		
	Current		
	Prepayments	<u>68,211</u>	<u>53,024</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
<hr/>		
9 Property, Plant and Equipment		
Land and Buildings		
Leasehold Property - at Cost	832,668	709,086
Less: Accumulated Depreciation	(636,725)	(587,673)
	195,943	121,413
Total Land and Buildings	195,943	121,413
Plant & Equipment - at Cost	717,009	674,644
Less: Accumulated Depreciation	(551,852)	(516,863)
	165,157	157,781
Bar Equipment - at Cost	75,747	74,843
Less: Accumulated Depreciation	(72,984)	(72,186)
	2,763	2,657
Keno Equipment - at Cost	6,691	6,691
Less: Accumulated Depreciation	(6,691)	(6,691)
	-	-
Poker Machines - at Cost	623,976	571,476
Less: Accumulated Depreciation	(408,530)	(313,549)
	215,446	257,927
Total Plant and Equipment	383,366	418,365
Total Property, Plant and Equipment	579,309	539,778

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023		2022
	\$	\$	\$
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
	\$	\$	\$
Balance at 1 July 2021	159,408	152,571	119,470
Additions	5,199	185,977	72,188
Disposals	-	(10,489)	-
Depreciation expense	(43,194)	(70,132)	(31,220)
Balance at 30 June 2022	121,413	257,927	160,438
Additions	123,582	54,000	43,268
Disposals	-	(1,003)	-
Depreciation expense	(49,052)	(95,478)	(35,786)
Carrying amount at 30 June 2023	195,943	215,446	167,920
			579,309

10 Trade and Other Payables

Current

Trade Creditors	213,281	162,557
Other Creditors	75,046	138,817
	288,327	301,374

Financial liabilities at amortised cost classified as trade and other payables

Trade and other payables:

- Total current	288,327	301,374
- Total non-current	-	-
	288,327	301,374
Less non-financial liabilities	(35,010)	(29,268)
Financial liabilities as trade and other payables	253,317	272,106

11 Borrowings

Current

Insurance Premium Funding	-	52,240
	-	52,240

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
12 Provisions		
Current		
Provision for Annual Leave	27,018	6,146
Provision for Long Service Leave	31,718	26,203
	<u>58,736</u>	<u>32,349</u>
13 Tax		
Liabilities		
Current		
Provision for Income Tax	2,908	9,950
	<u>2,908</u>	<u>9,950</u>
14 Other Liabilities		
Current		
Income Received in Advance	6,000	1,600
	<u>6,000</u>	<u>1,600</u>
15 Retained Earnings		
Retained earnings at the beginning of the financial year	765,608	682,622
Net profit attributable to members of the company	4,451	82,986
Retained earnings at the end of the financial year	<u>770,059</u>	<u>765,608</u>
16 Key Management Personnel		
<p>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.</p> <p>The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows:</p>		
Key management personnel compensation	<u>355,499</u>	<u>226,491</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
17 Related Party Transactions		
<p>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.</p> <p>Transactions with related parties:</p>		
<p>Mr James Baxter (Director) is director of KOR Glass & Aluminium Pty Ltd. This company provided building services throughout the financial year.</p>	<u>54,319</u>	<u>-</u>
<p>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.</p>	<u>242</u>	<u>3,252</u>
<p>Mr David Cavdarovski (Director) is director of Cav Air Services Pty Ltd. This company provided air conditioning and electrical services throughout the financial year.</p>	<u>32,183</u>	<u>8,638</u>
<p>Mr Peter Cavdarovski (General Manager) is the father of Mr Justin Cavdarovski (Director) and Mr David Cavdarovski (Director). Peter operates the sole trader business C.I.S Business Consultants. Peter is contracted through this business in his role as General Manager of the club.</p>	<u>156,000</u>	<u>135,000</u>
18 Auditor's Remuneration		
<p>During the financial year the following fees were paid or payable for services provided by the auditors of the company, Maher Group Assurance Pty Ltd:</p>		
Audit services		
Audit of the financial statements	<u>16,000</u>	<u>15,000</u>
Other services		
Other services	<u>9,200</u>	<u>8,585</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
<hr/>		
19 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	86,968	75,220
Cash on Deposit	5,677	214,284
Cash at Bank	309,697	146,043
	<u>402,342</u>	<u>435,547</u>
b) Reconciliation of Cashflow from Operations with profit after Income Tax		
Operating profit (loss) after income tax	4,451	82,986
Adjustments:		
Profit on sale of non-current assets	(996)	(1,751)
Depreciation	180,316	144,546
Financing flows in operating profits	2,603	2,631
(Increase) Decrease in inventories	1,629	2,628
(Increase) Decrease in trade and other receivables	56,975	(88,666)
(Increase) Decrease in prepayments	(15,188)	(5,391)
Increase (Decrease) in trade and other payables	(13,047)	78,387
Increase (Decrease) in provisions	26,387	(15,632)
Increase (Decrease) in income in advance	4,400	(3,982)
Increase (Decrease) in tax liabilities	(7,042)	9,950
	<u>240,488</u>	<u>205,706</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

		2023	2022
		\$	\$
<hr/>			
20 Financial Risk Management			
<p>The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.</p> <p>The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements are as follows:</p>			
	Note	2023	2022
		\$	\$
Financial Assets			
Cash and cash equivalents	5	402,342	435,547
Loans and receivables	6	45,784	102,759
Total Financial Assets		<u>448,126</u>	<u>538,306</u>
Financial Liabilities			
Trade and other payables	10	253,317	272,106
Finance liabilities	11	-	52,240
Total Financial Liabilities		<u>253,317</u>	<u>324,346</u>

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

21 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 2023

2023	2022
\$	\$

22 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 24, 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 2023 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 - Simplified Disclosures 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 18th day of October 2023

**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 2023, 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 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards - Simplified Disclosures 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.

**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 - Simplified Disclosures 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.

**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 Group Assurance Pty Limited



Trent Atlee

Taren Point

Dated this 18th day of October 2023

**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 2023**

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 2023. 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 Group Assurance Pty Limited
Chartered Accountants



Name of Principal: _____
Trent Atlee

Address: Taren Point

Dated this 18th day of October 2023

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

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
INCOME		
Bar Trading Account	338,392	199,410
Poker Machine Trading Account	505,283	324,217
Keno Trading Account	6,407	3,881
TAB Trading Account	(34,979)	(19,430)
	815,103	508,078
OTHER INCOME		
Commissions	18,263	10,766
Interest Received	6,041	1,054
Members' Subscriptions & Joining Fees	6,319	4,557
Insurance recoveries	-	251,710
Rents Received	25,278	17,990
Tennis Court Hire	1,618	464
Function & Event Income	92,468	72,623
Government Subsidies	-	63,542
Sundry Revenue	97,706	11,436
Profit on Sale of Non-current Assets	996	1,751
	248,689	435,893
	1,063,792	943,971

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 2023

	2023	2022
	\$	\$
EXPENSES		
Accountancy Fees	9,200	8,585
Advertising & Signs	16,235	12,289
Audit Fees	16,000	15,000
Bad Debts Written Off	-	582
Bank Charges	11,809	6,467
Cash Discrepancies(Surpluses)	1,126	2,756
Cleaning & Pest Control	44,121	22,943
Computer Expenses	23,911	8,718
Courtesy Bus	7,022	5,500
Consultancy Fees	142,052	135,429
Decor Costs	-	3,338
Depreciation - Leasehold Improvements	49,052	43,194
Depreciation - Plant & Equipment	34,989	29,581
Net Dining Room & Kitchen Costs	17,320	11,546
Directors' Expenses (Note 1)	277	120
Donations & Sponsorships (Note 2)	30,249	63,248
Entertainment Expenses	60,298	35,635
Foxtel	28,792	17,075
Function & Event Costs	49,923	33,432
General Expenses	22,801	7,731
Insurance	48,999	42,162
Interest Paid	3,036	2,815
Intra-Club Costs (Note 3)	2,641	710
Light & Power	13,668	20,546
Meeting Costs - AGM	1,415	787
Members Amenities	7,613	6,982
Printing, Postage, Stationery & Photocopy Costs	18,164	4,275
Promotions (Note 4)	20,026	19,705
Property Maintenance	63,550	39,947
Property Repairs - Insurance	(1,601)	50,446
Salaries, Allowances & Leave Provisions	100,208	68,828
Security Costs	94,416	54,220
Staff Costs	16,241	11,448
Subscriptions	8,499	3,415
Superannuation Contributions	54,817	34,193
Telephone	4,035	5,940
Waste Disposal	12,431	8,749
	1,033,335	838,337
Profit from ordinary activities before income tax	30,457	105,634

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 2023

	2023	2022
	\$	\$
BAR TRADING ACCOUNT		
Sales	1,220,527	732,391
Members Discounts	(93,084)	(57,145)
Bar Rebates	58,154	39,110
	1,185,597	714,356
Less: Cost of Goods Sold		
Opening Inventory	29,160	33,453
Purchases	489,750	294,489
Less Closing Inventory	(27,531)	(29,160)
	491,379	298,782
	694,218	415,574
Gross Profit from Trading		
Less: Direct Costs		
Wages	307,795	184,175
Bar Requisites - Other	26,473	10,669
Depreciation - Bar	797	1,639
Stock Reporting	4,700	4,400
Cleaning	5,821	4,906
Repairs & Maintenance	665	2,408
Bar Requisites - Glasses	1,029	1,090
Electricity	4,784	2,530
Telephone	885	1,018
Insurance	2,877	3,329
	355,826	216,164
Net Profit from Trading	338,392	199,410

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 2023

	2023	2022
	\$	\$
POKER MACHINE TRADING ACCOUNT		
Clearances	721,515	464,080
Poker Machine Duty/Rebate	17,180	17,180
	738,695	481,260
Less: Direct Costs		
Wages	95,965	54,386
Depreciation - Poker Machines	95,478	70,132
Analysis Costs	13,121	7,159
Electricity	1,595	843
Repairs, Maintenance & Service	8,974	8,533
Other Costs	13,521	10,375
Telephone	442	509
Cleaning	1,439	1,777
Insurance	2,877	3,329
	233,412	157,043
Net Profit from Trading	505,283	324,217

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 2023

	2023	2022
	\$	\$
<hr/>		
KENO TRADING ACCOUNT		
Commission Received	40,269	24,354
Less: Direct Costs		
Wages	25,014	12,796
Electricity	1,595	843
Printing, Postage and Stationery	308	-
Repairs & Maintenance	2,187	1,339
Promotions	-	127
Telephone	442	509
Cleaning	1,439	1,530
Insurance	2,877	3,329
	33,862	20,473
Net Profit from Trading	6,407	3,881

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 2023

	2023	2022
	\$	\$
<hr/>		
TAB TRADING ACCOUNT		
Commission Received	14,566	7,855
Less: Direct Costs		
Wages	25,014	12,151
Electricity	1,595	843
Repairs & Maintenance	4,698	2,423
Sky Channel	13,480	6,500
Telephone	442	509
Cleaning	1,439	1,530
Insurance	2,877	3,329
	49,545	27,285
Net Loss from Trading	(34,979)	(19,430)

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 2023

	2023	2022
	\$	\$
<u>Note 1: Directors' Expenses</u>		
Honorariums	-	-
Directors Expenses	277	120
	277	120
<u>Note 2: Donations & Sponsorships</u>		
Welfare & Sponsorships	29,455	54,273
Kurnell School	-	500
Other Donations	794	8,475
	30,249	63,248
<u>Note 3: Intra-Club Costs</u>		
Darts Club	530	237
Fishing Club	-	200
Golf Club	2,089	-
Tennis Club	22	273
	2,641	710
<u>Note 4: Promotions</u>		
Raffles - Wednesday (net)	(6,486)	-
Raffles - Friday (net)	(15,338)	3,001
Raffles - Sunday (net)	(8,248)	(548)
Sunday Funday Kids Club	7,801	-
Trivia	18,461	8,700
Other	23,836	8,552
	20,026	19,705

The accompanying notes form part of these financial statements.