
Ashfield Catholic and Community Club Limited

ABN 73 000 425 294

Financial Statements
For the Year Ended 30 June 2023

Ashfield Catholic and Community Club Limited
Directors' Report
For the Financial Year Ended 30 June 2023

Your directors present this report on the financial statements of Ashfield Catholic and Community Club Limited ("the company") for the year ended 30 June 2023.

Directors

The directors of the company in office from the start of the financial year to date of signing, unless otherwise specified, were:

Name and Qualifications	Experience and Special Responsibilities
FREEMAN, Lorraine	Club Ashfield President since 22nd November 2022 Club Ashfield Finance Director November 2020 - January 2022 Club Ashfield Board Member since 2016 Club Ashfield Donations, FARR, Sub-Club & Tony Fiatarone Scholarship Sub-Committee member Club Ashfield Member since 2008 Registered Nurse Practised in the past as a Midwife Bachelor of Arts Solicitor Distinguished Toastmaster Volunteered with St Vincent de Paul Society for 11 years - Assisting students in Primary Schools with Literacy and Numeracy Skills Primary Schools
YANIV, Christina (Resigned 18th August 2023)	Club Ashfield Vice President since November 2020 Club Ashfield Finance Director 2019 - November 2020 Club Ashfield Board Member since 2018 Club Ashfield FARR and Sub-Committee member Club Member since 2014 Jones Lang LaSalle Group Account Director Facilities and Project Manager FMP - IFMA Facilities Management Professional Industry Diploma in Operations and Facilities Management Certificate IV in Occupational Health & Safety

Ashfield Catholic and Community Club Limited
Directors' Report
For the Financial Year Ended 30 June 2023

Name and Qualifications	Experience and Special Responsibilities
HARTE, Roger	<p>Club Ashfield Finance Director since January 2022 Club Ashfield Board Member since November 2020 Club Ashfield Donations, FARR and Sub-Club Sub-Committee member Club Ashfield Member since 2017 Commercial Building Operations Manager Former small business owner and TAFE trade teacher Educated at St Michaels Primary School Stanmore and St Mary's Cathedral High School Sydney Vincentian, helper at St Vincent de Paul Society Ashfield Committee member of Maintenance and fundraising at St Vincent's Church Ashfield President of Club Ashfield Social Club Secretary of Club Ashfield Social Golf Club Member of St Brigid's Marrickville Seniors Group Supporter of Australia New Zealand Gynaecological Oncology Group ANZCOG Local and loved</p>
CLAY, Michael	<p>Club Ashfield Board Member since 25th January 2022 Club Ashfield Donations, FARR, and Tony Fiatarone Scholarship Sub-Committee member Club Ashfield Member since 2014 Educated at St Vincent's Primary School and De La Salle Ashfield Working career in advertising and newspaper production at John Fairfax & Sons, News Ltd and 10 years at an Advertising Agency. Employed as Duty Manager (Customer Service) at Accor Stadium, Commbank Stadium Customer Service at Sydney Cricket Ground and Moore Park Stadium Night Patrol for St Vincent De Paul Awarded Dempsey Medal in 2021 for service to St Vincent de Paul Society Oversee Maintenance & Upkeep and help fundraise for St Vincent's Church, Ashfield Involved in club rugby for 40 years Volunteer as Match Day assistant for NSW Waratahs during Super Rugby Season and Wallabies for 10 years RSA and RCG Certified</p>

Ashfield Catholic and Community Club Limited
Directors' Report
For the Financial Year Ended 30 June 2023

Name and Qualifications	Experience and Special Responsibilities
DIXON, Peter (Appointed 22nd November 2022)	Club Ashfield Board Member since 22nd November 2022 Club Ashfield Board Member 2018 to January 2022 Club Ashfield Sub-Club and Tony Fiatarone Scholarship Sub-Committee member Club Ashfield Member since 1997 Lighting Engineer/Consultant and small business owner Certificate in Wine Studies and Viticulture Holder of RSA and RCG certifications Distinguished Toastmaster Long Service Medal; State Emergency Service, St John Ambulance and Duke of Edinburgh Award Scheme
BORMANS, Alexander (Resigned 22nd November 2022)	Club Ashfield President October 2019 to November 2022 Club Ashfield Finance Director 2018 to 2019 Club Ashfield Board Member since 2015 Club Ashfield Member since 2012 Master of Science Graduate Diploma in Business Distinguished Toastmaster RSA & RCG Certified ICT Account Manager

Directors' meetings

The number of meetings of the company's Board of Directors (the Board) attended by each of the directors of the company during the financial year is:

Name	Number of Meetings Attended	Number of Meetings Held*
FREEMAN, Lorraine	15	15
DIXON, Peter	8	9
YANIV, Christina	14	15
HARTE, Roger	14	15
CLAY, Michael	15	15
BORMANS, Alexander	6	6

* Number of meetings held during the time the director held office during the year.

Ashfield Catholic and Community Club Limited
Directors' Report
For the Financial Year Ended 30 June 2023

Membership

The company is a company limited by guarantee and is without share capital. The number of members as at 30 June 2023 and the comparison with last year is as follows:

2023	2022
3,770 members	3,870 members

Members' limited liability

In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the company during the time that they are a member or within one year thereafter. The total amount that the members of the company are liable to contribute is the company is wound up is \$7,540 (2022: \$7,740).

Operating result

The net profit after tax for the year amounted to \$735,981 compared with a profit of \$370,554 for the prior year. This resulted after charging \$936,956 (2022: \$892,191) for depreciation, \$2,305 net loss (2022: \$24,828 net gain) on disposal of non-current asset and after \$9,745 income tax benefit (2022: \$39,393 income tax expense).

Objectives

1. Finance
 - 1.1. Debt repayment
 - 1.2. Increase EGM trade
 - 1.3. Diversify revenue
 - 1.4. Reduce operational costs
2. Property
 - 2.1. Increase rental return (Units & 13-15 Charlotte Street)
 - 2.2. Renovate club premises
 - 2.3. Expand club premises
3. Governance
 - 3.1. Robust governance structure
 - 3.2. Maintain compliance standards
4. Environment
 - 4.1. Certification of environmental sustainability
5. Services
 - 5.1. Additional entertainment options
6. Membership
 - 6.1. Increase membership (attract and retain)
7. Community
 - 7.1. Strengthen relationships with the local Catholic schools
 - 7.2. Strengthen relationships with the Sub-Clubs
 - 7.3. Promote the Club in the community

Strategy for achieving the objectives

- Annual review of the Club's Strategic Plan.
- Development of a Tactical Plan to support the objectives identified in the Strategic Plan.
- Clear specification of necessary conditions to be met prior to initiating the implementation of the Club's 'Property' objectives.
- Annual review of a Roadmap for the achievement of the Club's objectives.

Ashfield Catholic and Community Club Limited

Directors' Report

For the Financial Year Ended 30 June 2023

Principal activities

- The principal activities of the company during the course of the financial year consisted of the conduct and promotion of a licensed social club for members of the company.
- There have been no significant changes in the nature of these activities during the year.
- The company's principal activities assist in the achieving the entity's objectives by raising revenues for the expansion and long-term viability of the club.

Performance measurement and key performance indicators

The Entity measures its performance by using the following KPIs:

- Membership – total
- Membership – female
- Membership – under 35 years
- Board – female
- Board – under 60 years
- Board – average length of tenure
- EGM – licences
- Financial – non-current debt
- EBITDA – annual average %
- Wages to sales – annual average %
- Revenue from EGM
- Community – active sub-clubs
- Monthly total of section 23 functions
- Staff turnover

Key performance indicators

	2023	2022
Bar		
Gross profit percentage	59.64%	59.67%
Wages to sales percentage	34.43%	28.05%
Gaming		
Gross Revenue	\$5,721,629	\$4,402,719
Gross Revenue per machine	\$61,523	\$47,341
Wages to sales percentage	7.68%	7.60%
EBITDA*	\$1,722,555	\$1,363,955
EBITDA %	25.35%	25.57%

* Net gain/loss on disposal of non-current assets have been included in the calculation of the EBITDA for the current and prior period.

Indemnification of officers and auditors

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial year, to any person who is or has been an officer or auditor of the company.

Ashfield Catholic and Community Club Limited
Directors' Report
For the Financial Year Ended 30 June 2023

Proceedings on behalf of the company

No person has applied for leave of court, to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

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

Auditors

SDJA were appointed as auditor for the financial year ended 30 June 2023 in accordance with section 327 of the *Corporations Act 2001*.

The Auditor's Independence Declaration as required by section 307C of the *Corporations Act 2001* is set out on page 8 and forms part of the Directors' Report for the year ended 30 June 2023.

This report is made in accordance with a Resolution of the Directors.



Lorraine Freeman

President

19 September 2023



Roger Harte

Finance Director

19 September 2023



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Ashfield Catholic and Community Club Limited
Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001* to the
Directors of Ashfield Catholic and Community Club Limited
For the Financial Year Ended 30 June 2023

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 as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contravention of any applicable code of professional conduct in relation to the audit.

Yours sincerely,

A handwritten signature in black ink that reads "SDJA".

SDJA

A handwritten signature in black ink that reads "Simon Joyce".

Simon Joyce
Director
19 September 2023
Sydney, New South Wales

Ashfield Catholic and Community Club Limited
Statement of Profit or Loss and Other Comprehensive Income
For the Financial Year Ended 30 June 2023

	Notes	2023 \$	2022 \$
Revenue			
Revenue from contracts with customers	4	6,507,222	4,949,941
Other income	5	290,714	384,487
Total revenue		6,797,936	5,334,428
Expenses			
Administration and other operating costs		(906,387)	(710,673)
Raw material consumed		(431,408)	(326,313)
Depreciation		(936,956)	(892,191)
Employee benefits		(1,661,799)	(1,474,389)
Finance costs		(68,000)	(63,087)
Entertainment, marketing and promotional costs		(598,386)	(325,907)
Poker machine licences and taxes		(940,548)	(730,227)
Property expenses		(525,911)	(401,694)
Net loss on disposal of non-current assets		(2,305)	-
Total expenses		(6,071,700)	(4,924,481)
Net profit before income tax		726,236	409,947
Income tax benefit/(expense)	6	9,745	(39,393)
Net profit for the year after tax		735,981	370,554
Other comprehensive income		-	-
Total comprehensive income		735,981	370,554

The accompanying notes form part of these financial statements.

Ashfield Catholic and Community Club Limited
Statement of Financial Position
As at 30 June 2023

	Notes	2023 \$	2022 \$
Assets			
Current			
Cash and cash equivalents	7	1,282,626	1,417,894
Trade and other receivables	8	39,968	40,834
Inventories	9	28,652	32,899
Other assets	10	78,825	102,840
Current assets		1,430,071	1,594,467
Non-current			
Property, plant and equipment	11	10,167,896	10,754,081
Investment properties	12	174,146	167,189
Intangible assets	13	667,324	667,324
Deferred tax assets	14	270,307	260,561
Non-current assets		11,279,673	11,849,155
Total assets		12,709,744	13,443,622
Liabilities			
Current			
Trade and other payables	15	501,482	1,002,072
Employee benefits	16	433,802	404,032
Other liabilities	18	13,523	14,909
Current liabilities		948,807	1,421,013
Non-current			
Employee benefits	16	23,969	23,473
Borrowings	17	-	1,000,000
Other liabilities	18	7,522	5,671
Non-current liabilities		31,491	1,029,144
Total liabilities		980,298	2,450,157
Net assets		11,729,446	10,993,465
Equity			
Retained earnings		11,729,446	10,993,465
Total equity		11,729,446	10,993,465

The accompanying notes form part of these financial statements.

Ashfield Catholic and Community Club Limited
Statement of Changes in Equity
For the Financial Year Ended 30 June 2023

	Notes	Retained Earnings \$	Total Equity \$
Balance at 1 July 2021		10,622,911	10,622,911
Profit for the year		370,554	370,554
Other comprehensive income		-	-
Total comprehensive income		<u>370,554</u>	<u>370,554</u>
Balance at 30 June 2022		<u>10,993,465</u>	<u>10,993,465</u>
Balance at 1 July 2022		10,993,465	10,993,465
Profit for the year		735,981	735,981
Other comprehensive income		-	-
Total comprehensive income		<u>735,981</u>	<u>735,981</u>
Balance at 30 June 2023		<u>11,729,446</u>	<u>11,729,446</u>

The accompanying notes form part of these financial statements.

Ashfield Catholic and Community Club Limited
Statement of Cash Flows
For the Financial Year Ended 30 June 2023

	2023	2022
	\$	\$
Cash flows from operating activities		
Receipts from members and customers	7,159,275	5,466,018
Receipts from government grants	-	135,000
Payments to suppliers and employees	(6,157,224)	(4,207,539)
Interest received	8,300	1,270
Rent received	282,414	223,392
Finance costs paid	(68,000)	(63,087)
Net cash provided by operating activities	1,224,765	1,555,054
Cash flows from investing activities		
Payments for property, plant and equipment and investment properties	(385,354)	(917,131)
Net proceeds from term deposit	-	80,793
Proceeds from sale of property, plant and equipment	25,321	19,686
Net cash used in investing activities	(360,033)	(816,652)
Cash flows from financing activities		
Repayment of borrowing	(1,000,000)	(1,000,000)
Net cash used in financing activities	(1,000,000)	(1,000,000)
Net change in cash and cash equivalents	(135,268)	(261,598)
Cash and cash equivalents at beginning of financial year	1,417,894	1,679,492
Cash and cash equivalents at end of financial year	1,282,626	1,417,894

The accompanying notes form part of these financial statements.

Ashfield Catholic and Community Club Limited
Notes to the Financial Statements
For the Financial Year Ended 30 June 2023

1. General information

The financial report covers Ashfield Catholic and Community Club Limited as an individual entity. The entity is a not-for-profit company, incorporated and domiciled in Australia.

The entity's principal activity is creating and promoting a community-based club for members to assist schools, parishioners and people in the local area of Ashfield.

The principal place of business is 1-11 Charlotte Street, Ashfield, NSW, 2131.

The financial report was authorised for issue by the directors on 19 September 2023.

2. Changes in accounting policies

New and revised standards that are effective for these financial statements

A number of revised standards became effective for the first time to annual periods beginning on or after 1 July 2022. The adoption of these revised accounting standards has not had a material impact on the entity's financial statements.

Accounting Standards issued but not yet effective and not been adopted early by the entity

A number of new and revised standards have been issued but are not yet effective and have not been adopted early by the entity. The directors are currently assessing the impact such standards will have on the entity.

3. Summary of accounting policies

Financial reporting framework

The general purpose financial statements of the entity have been prepared in accordance with the requirements of the *Corporations Act 2001*.

Statement of compliance

The general purpose financial statements of the entity have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures and other authoritative pronouncements of the Australian Accounting Standards Board.

Basis of preparation

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes.

The financial statements are presented in Australian dollars. The functional currency of the entity is Australian dollars.

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

Revenue from contracts with customers

Revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the entity expects to receive in exchange for those goods or services.

Ashfield Catholic and Community Club Limited
Notes to the Financial Statements
For the Financial Year Ended 30 June 2023

Revenue is recognised by applying a five-step model as follows:

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

Other revenue

For any revenue streams that are not defined as contracts with customers, then the revenue is recognised when the entity gains control, economic benefits are probable and the amount of the revenue can be measured reliably.

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

Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

Income taxes

Income tax expenses comprise current taxes and deferred taxes and are recognised in net profit or loss, excluding items related to business combinations and items that are directly recognised in other comprehensive income or equity.

Mutuality principle

The company calculates its income in accordance with the mutuality principle which excludes from income, any amounts of subscriptions and contributions from members, and payments received from members for particular services provided by the club or association, e.g., poker machines, bar and dining room service in the case of social clubs. The Commissioner of Taxation accepts this method of calculating income as appropriate for recognised clubs and associations.

Amendments to the Income Tax Assessment Act 1997 ensure social clubs continue not to be taxed on receipts from contributions and payments received from members.

Cash and cash equivalents

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

Inventories

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

Ashfield Catholic and Community Club Limited
Notes to the Financial Statements
For the Financial Year Ended 30 June 2023

Property, plant and equipment

Property, plant and equipment are measured using the cost model, cost less subsequent depreciation and impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation

The depreciable amount of all fixed assets is depreciated over the asset's useful life to the entity commencing from the time the asset is held ready for use.

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

Class of fixed asset	Depreciation rate
Building improvements	2.5%-12.5%
Plant and equipment	5%-33%
Poker machines	5%-33%
Motor vehicles	12.5%-20%
Leased plant and equipment	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

Core and non-core properties

Core properties: 1-11 Charlotte Street, Ashfield, NSW

Non-core properties: 13-15 Charlotte Street, Ashfield, NSW
22 Dening Street, The Entrance, NSW (held as investment property)

Investment property

Recognition and measurement

Items of investment property are measured at historical cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation

Items of investment property are depreciated on a straight-line basis in profit or loss over the estimated useful lives of each component. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the group will obtain ownership by the end of the lease term. Land is not depreciated.

Items of investment property are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Ashfield Catholic and Community Club Limited
Notes to the Financial Statements
For the Financial Year Ended 30 June 2023

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

Fixed asset class	Depreciation rate
Buildings	4-5%
Furniture & fittings	5-10%

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

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost.

Indefinite life intangibles assets

Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment.

Impairment of non-financial assets

At the end of each reporting period the company determines whether there is evidence of an impairment indicator for non-financial assets.

Trade and other payables

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

Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position. Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Provision for employee benefits

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Ashfield Catholic and Community Club Limited
Notes to the Financial Statements
For the Financial Year Ended 30 June 2023

Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the entity transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the entity performs under the contract (i.e. transfers control of the related goods or services to the customer).

The services are usually provided within twelve (12) months of receipt of the payment. Where the amount received is in respect of services to be provided over a period that exceeds twelve (12) months after the reporting date, the liability is discounted and presented as non-current.

Comparative figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. With the exception of minor reclassifications between certain financial statement line items, comparatives are consistent with prior years, unless otherwise stated.

Significant judgement in applying accounting policies

When preparing the financial statements, both the directors and management undertake a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Useful lives of depreciable assets

The Board of Directors reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the company's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Ashfield Catholic and Community Club Limited
Notes to the Financial Statements
For the Financial Year Ended 30 June 2023

	2023	2022
	\$	\$
4. Revenue from contracts with customers		
<u>Revenue recognised over time</u>		
Poker machines - net clearances	5,218,661	4,019,652
Commissions received	128,243	79,613
Members subscriptions	7,831	7,475
Entertainment and promotions	37,351	14,509
Bus income	350	-
Sundry income	70,618	32,316
	5,463,054	4,153,565
<u>Revenue recognised at a point in time</u>		
Bar sales	969,746	599,755
Catering sales	74,422	196,621
	1,044,168	796,376
Total revenue from contracts with customers	6,507,222	4,949,941

How the entity recognises revenue

Sale of goods

Sale of goods comprises revenue earned from sale of food, beverage and other goods and is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer.

Rendering of services

Rendering of services comprises revenue from gaming facilities together with other services to members and other patrons of the club, recognised over the period in which the services are provided.

5. Other income

Rental income	282,414	223,389
Financial assistance government grants	-	135,000
Interest income	8,300	1,270
Net gain on disposal of non-current assets	-	24,828
	290,714	384,487

6. Income tax benefit/(expense)

Profit before tax	726,236	409,947
Domestic tax rate	25%	25%
Expected tax expense	(181,559)	(102,487)

Ashfield Catholic and Community Club Limited
Notes to the Financial Statements
For the Financial Year Ended 30 June 2023

	2023	2022
	\$	\$
6. Income tax benefit/(expense) (continued)		
Adjustments:		
- Net tax effect of amounts which are not taxable/(deductible) in calculating taxable income	181,559	102,487
- Amount relating to the origination and reversal of temporary differences	9,746	(39,393)
Actual tax benefit/(expense)	9,746	(39,393)
Tax expense comprises:		
- Current tax	-	-
- Deferred tax	9,746	(39,393)
	9,746	(39,393)
7. Cash and cash equivalents		
Cash at bank	1,282,626	1,417,894
	1,282,626	1,417,894
8. Trade and other receivables		
Current		
Trade receivables	39,968	40,834
	39,968	40,834
9. Inventories		
Stock on hand	28,652	32,899
	28,652	32,899
10. Other assets		
Current		
Prepayments	78,825	102,840
	78,825	102,840
11. Property, plant and equipment		
Freehold land at cost	3,020,299	3,020,299
Buildings and improvements at cost	9,284,836	9,278,094
Buildings and improvements accumulated depreciation	(4,198,824)	(3,864,159)
	5,086,012	5,413,935
Total land and buildings	8,106,311	8,434,234

Ashfield Catholic and Community Club Limited
Notes to the Financial Statements
For the Financial Year Ended 30 June 2023

	2023	2022
	\$	\$
11. Property, plant and equipment (continued)		
Plant and equipment at cost	3,186,849	3,069,023
Plant and equipment accumulated depreciation	(2,237,958)	(2,089,310)
	<u>948,891</u>	<u>979,713</u>
Poker machines at cost	3,357,089	3,300,705
Poker machines accumulated depreciation	(2,490,606)	(2,167,123)
	<u>866,483</u>	<u>1,133,582</u>
Motor vehicles at cost	173,250	101,436
Motor vehicles accumulated depreciation	(106,758)	(89,427)
	<u>66,492</u>	<u>12,009</u>
Leased plant and equipment at capitalised cost	-	46,526
Leased plant and equipment accumulated amortisation	-	(46,526)
	<u>-</u>	<u>-</u>
Capital works in progress at cost	179,719	194,543
Total property, plant and equipment	<u>10,167,896</u>	<u>10,754,081</u>

	Land	Building & Improvements	Plant & Equipment	Poker Machines
	\$	\$	\$	\$
Net carrying amount 1 July 2022	3,020,299	5,413,935	979,713	1,133,582
Additions	-	6,742	146,970	159,828
Disposals	-	-	(1,113)	(26,513)
Transfers within property, plant and equipment	-	-	3,164	-
Transfers to investment properties	-	-	-	-
Depreciation	-	(334,665)	(179,843)	(400,414)
Net carrying amount 30 June 2023	<u>3,020,299</u>	<u>5,086,012</u>	<u>948,891</u>	<u>866,483</u>

Ashfield Catholic and Community Club Limited
Notes to the Financial Statements
For the Financial Year Ended 30 June 2023

11. Property, plant and equipment (continued)

	Motor Vehicles	Leased Plant & Equipment	Capital Works in Progress	Total
	\$	\$	\$	\$
Net carrying amount 1 July 2022	12,009	-	194,543	10,754,081
Additions	71,814	-	-	385,354
Disposals	-	-	-	(27,626)
Transfers within property, plant and equipment	-	-	(3,164)	-
Transfers to investment properties	-	-	(11,660)	(11,660)
Depreciation	(17,331)	-	-	(932,253)
Net carrying amount 30 June 2023	<u>66,492</u>	<u>-</u>	<u>179,719</u>	<u>10,167,896</u>

	2023	2022
	\$	\$
12. Investment properties		
Investment freehold land at cost	97,500	97,500
Buildings at cost	32,500	32,500
Buildings accumulated depreciation	(12,183)	(11,372)
	<u>20,317</u>	<u>21,128</u>
Furniture and fittings at cost	98,759	87,099
Furniture and fittings accumulated depreciation	(42,430)	(38,538)
	<u>56,329</u>	<u>48,561</u>
Total investment properties	<u>174,146</u>	<u>167,189</u>

	Land	Buildings	Furniture & Fittings	Total
	\$	\$	\$	\$
Net carrying amount 1 July 2022	97,500	21,128	48,561	167,189
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation	-	(811)	(3,892)	(4,703)
Transfers from property, plant and equipment	-	-	11,660	11,660
Net carrying amount 30 June 2023	<u>97,500</u>	<u>20,317</u>	<u>56,329</u>	<u>174,146</u>

Ashfield Catholic and Community Club Limited
Notes to the Financial Statements
For the Financial Year Ended 30 June 2023

	2023	2022
	\$	\$
13. Intangible assets		
Poker machine entitlements at cost	667,324	667,324
	667,324	667,324

Poker machine entitlements

Poker machine entitlements are not amortised as they are deemed to have an indefinite useful life. They have an indefinite useful life as they do not expire and under current government legislation there is no plan to remove such entitlements. As a result, poker machine entitlements are tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and are carried at cost less accumulated impairment losses.

14. Deferred taxes

Deferred tax asset	270,307	260,561
	270,307	260,561

Deferred taxes arising from temporary differences can be summarised as follows:

Employee benefits	20,999	18,841
Tax losses	260,606	253,030
Property, plant and equipment	(5,404)	7,703
Prepayments	(5,894)	(19,013)
	270,307	260,561

15. Trade and other payables

Current

Trade payables	138,857	589,576
Accrued expenses	241,763	333,021
Net GST payable	120,862	79,475
	501,482	1,002,072

16. Provisions

Current

Provision for employee benefits	433,802	404,032
	433,802	404,032

Non-current

Provision for employee benefits	23,969	23,473
	23,969	23,473

Ashfield Catholic and Community Club Limited
Notes to the Financial Statements
For the Financial Year Ended 30 June 2023

	2023	2022
	\$	\$
17. Borrowings		
Non-current		
Bank loan - secured	-	1,000,000
	<u>-</u>	<u>1,000,000</u>

Financing arrangements

The company has access to the following lines of credit:

	-	1,000,000
	<u>-</u>	<u>1,000,000</u>

As at 30 June 2023, this facility was no longer in place, as it was paid and closed in May 2023.

18. Other liabilities

Current

Contract liabilities - membership income	4,693	4,593
Contract liabilities - deposits held	4,873	6,520
Contract liabilities - rent in advance	3,957	3,796
	<u>13,523</u>	<u>14,909</u>

Non-current

Contract liabilities - membership income	7,522	5,671
	<u>7,522</u>	<u>5,671</u>

19. Related parties

Key management personnel compensation

The entity's related parties include its key management personnel and related entities as described below. All transactions with related parties are priced on an arm's length basis and recognised as an expense during the period.

Total key management personnel compensation	530,911	461,865
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Directors' transactions with the company

From time to time directors of the company may purchase goods from the company or participate in other Club activities. These purchases and participations are on the same terms and conditions as those entered into by any other member of the Club.

Apart from the details disclosed in this note, no director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests subsisting at the year end.

Ashfield Catholic and Community Club Limited
Notes to the Financial Statements
For the Financial Year Ended 30 June 2023

	2023	2022
	\$	\$
20. Remuneration of auditors		
<u>SDJA</u>		
Audit of financial report	17,000	-
Assistance with financial report preparation	3,000	-
	20,000	-
<u>BDO</u>		
Audit of financial report	-	29,000
Assistance with financial report preparation	-	3,500
Preparation and lodgement of tax return	-	6,600
	-	39,100

21. Members' guarantee

The entity is incorporated under the *Corporations Act 2001* and an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$2 towards meeting any outstanding obligations of the entity, during the time they are member or within one year thereafter. The total amount that the members of the company are liable to contribute if the company is wound up is \$7,540 (2022: \$7,740). At 30 June 2023, there were 3,770 members (2022: 3,870).

22. Commitments

The company renewed its carpark license effective 1 January 2023 for a period 12 months. The license of property generally provides the company with a right of renewal at which time all terms are renegotiated. License payments comprise a base amount plus an incremental contingent rental. Contingent rentals are based on either movements in the Consumer Price Index or operating criteria. The Club does not have an exclusive right and hence it does not fall under the definition of lease per AASB 16 Leases.

Non-cancellable commitments

Future license commitments not provided for in the financial statements and payable:

Within one year	39,114	42,436
One year or later and no later than five years	-	-
Later than five years	-	-
	39,114	42,436

Ashfield Catholic and Community Club Limited
Notes to the Financial Statements
For the Financial Year Ended 30 June 2023

	2023	2022
	\$	\$
23. Contingent liabilities		
<u>Bank guarantees</u>		
The company has given the following bank guarantees:		
TAB Limited	5,000	5,000
	<u>5,000</u>	<u>5,000</u>

The entity had no other contingent liabilities as at 30 June 2023.

24. Subsequent events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.


Ashfield Catholic and Community Club Limited
Directors' Declaration
For the Financial Year Ended 30 June 2023

The directors of the company declare that in the directors' opinion:

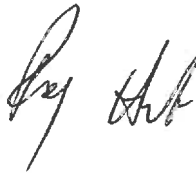
- a) the financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - i) giving a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
 - ii) complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*; and
- b) there are reasonable grounds to believe that the company is able to pay all of its debts, as and when they become due and payable.

Signed in accordance with a Resolution of the Directors.

Lorraine Freeman
President
19 September 2023



Roger Harte
Finance Director
19 September 2023



Ashfield Catholic and Community Club Limited
Independent Auditor's Report to the Members of Ashfield Catholic and Community Club Limited
For the Financial Year Ended 30 June 2023

Opinion

We have audited the accompanying financial report, being a general purpose financial report of Ashfield Catholic and Community Club Limited (the company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, the notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) 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 ended; and
- (ii) complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

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

Ashfield Catholic and Community Club Limited
Independent Auditor's Report to the Members of Ashfield Catholic and Community Club Limited
For the Financial Year Ended 30 June 2023

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.

Responsibilities of Those Charged with Governance

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that 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 Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/>. This description forms part of our auditor's report.



SDJA



Simon Joyce

Director

19 September 2023

Sydney, New South Wales