

**LONGUEVILLE SPORTING
CLUB
LIMITED**

ACN 000 914 527

THE DIDDY

**ANNUAL REPORT TO MEMBERS
FOR THE YEAR ENDED
30 JUNE 2023**

LONGUEVILLE SPORTING CLUB LIMITED

ACN 000 914 527

**Cnr Kenneth Street and River Road West,
Lane Cove, NSW, 2066**

BOARD OF DIRECTORS

Chairman	Wayne Rigney
Treasurer	Paul Heanly
Directors	James Forbes
	Mel Simpson
	Nicole Upfold
	Robyn Brown
	Jefferson Smith
General Manager/ Secretary	Chris Keighery
Auditor	Infinity Financial
Solicitor	Ellison Tillyard Callanan
Accountants	Zorba Financial Services

LONGUEVILLE SPORTING CLUB LIMITED
ACN 000 914 527

Financial Report
for the
Year Ended 30 June 2023

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CHAIRMAN'S REPORT

Dear Members,

I am pleased to present the Chairman's Report for the year ending 30th June 2023 (FY2023).

The Diddy has had an excellent FY2023 that has truly cemented its place as the premier venue for socialising and celebrating community life in the area. I want to start by thanking all of our current members and their friends and family for using the club and its facilities in such an extensive way. This has translated to the club recording record revenues, and utilisation rates throughout the year— something we can all be very proud of!

The Board

At last year's AGM the incumbent board members were all re-elected. I was again elected Chairman whilst Paul Heanly again was appointed Treasurer. We joined with incumbent board members Mel Simpson, Jim Forbes, Robyn Brown, Nicole Upfold, Jefferson Smith and the clubs General Manager, Chris Keighery.

Once again, this board has operated harmoniously with all members contributing in a respectful and collaborative fashion. The passion and commitment of these volunteers cannot be faulted, and I would like to thank them all for their terrific service this year. The attendance at meetings and willingness to participate in working groups outside of board meetings has been exceptional.

I wish to give particular thanks to Mel Simpson and Jim Forbes for their ongoing work in overseeing the club's capital works. They draw on decades of experience when advising and coordinating across a range of project, volunteering significant hours to ensure the club gets a great and long-lasting return on its building work investments.

I wish to thank all Board members for their time and efforts. It has been an absolute pleasure to sit on the board this year.

Financial Performance

The financial FY23 has been outstanding. We enjoyed a full year of uninterrupted trading post Covid and celebrated with the opening of the Pizza Annex in August 2022. These strong financial results are included in this report.

Total Income increased to \$1.9 million and the club once again returned Earnings before Interest, Tax, Depreciation and Amortisation of \$135,306. This great result was achieved against the backdrop of declining gaming revenues, a trend that reflects the demographic shift the Diddy has experienced in recent years.

These results are a reflection of the increasing patronage which the board feels is strongly

Chairman's Report (cont'd)

linked to the investments made over multiple years to improve the club's facilities and customer experience. The Pizza Annex opening correlated with a 30% surge in bar revenues which continued through most of the trading year, despite a very wet summer. The popular pizza menu coupled with the resulting increase in the number of meals that can served in any given day has meant the clubs management can take on more bookings.

Marketing

Operations have been supported by a strong marketing program again in FY2023 with a continued emphasis on establishing the Diddy as a destination for people of all ages and any occasion. Our weekend trade continues to thrive, with bookings regularly exceeding 700 people on Saturdays and Sundays, even in the cooler months.

The introduction of new daily events and promotions have seen utilisation of the facilities dramatically increase Mondays thru Thursday. These include the ever-popular Trivia nights, daily food specials and the recently launched \$16 lunch menu. Various sponsored promotions have taken place through the year with different liquor brands, reflecting the fact that these brands see the Diddy as a venue of note. These promotions ensure patrons get to experience new brands and products over time.

The Diddy's strong social media presence ensures we remain front of mind for members when planning events and larger bookings. The partnership with Lusso continues to mature and this has allowed us to refine the offer for large events that cross over between bar and food.

The Board should continue to support management in the marketing initiatives as it is clearly paying dividends.

Use of Club Funds

In FY22 the Board agreed that there were 3 primary areas to focus club funds. These include:-

- Capital Works
- Sponsorships
- Members benefits

1. Capital Works

The Diddy transformation continued at pace over the last 12 months. There have been several significant capital works improvements undertaken over the year, including:

- Completion and opening of the annex building housing a Pizza Oven, coffee and gelato on the top green;
- Top Green Seating Area extension and new blinds;
- Additional Furniture for Top Green;
- New Gaming machines;
- DA approval for Top Green Shelter Stage 2 (to be completed Sept/Oct 23).

Chairman's Report (cont'd)

These capital improvements have significantly increased club patronage. The improved dining options has doubled the number of people that can be fed at any point in time. The new undercover areas and seating has significantly improved the ability of the club to stage events. Already we have seen a significant uptick in the use of the club for events, without fear of cancellation due to inclement weather. The increased patronage is having a measurable impact on turnover, with the new pizza oven in particular proving incredibly popular on weekdays as well as weekends.

There is more opportunity to improve facilities, in particular the area between the bottom green and the club. I hope the new Board will continue down the path of creating a facility that members and the community can be proud of.

2. Members Benefits

The club continues to provide generous discounts to members which has resulted in some of the most affordable beverage prices in the area. These discounts exceeded \$40,000 in FY23.

3. External Clubs Support and Sponsorships

The Board was approach and approved sponsorships for a number local clubs including

- North Shore Cricket Club
- Old Ignatians Cricket Club
- Lane Cove Junior Rugby
- Lane Cove Senior Rugby

The Diddy will continue to offer a 2-tier two program.

Local Club support Packages

In this program we provide

- Use of facilities for regular club meetings at no charge – with limits to be agreed on a case-by-case basis
- Use of facilities for Events at no charge
- Food and Beverage package up to the value of \$500

Local Club Sponsorships Package

The Board approved the creation of Sponsorship Packages providing funds up to the value of \$5000 in cash and/or food/beverage packages.

Chairman's Report (cont'd)

Sponsorships packages have some qualification criteria:

- Branding/naming rights attached to the club uniforms, grounds, facilities;
- The sponsored club is local;
- The sponsored club is not well funded from other sources;
- There is a clearly defined purpose for the funds e.g. uniforms, equipment, game day support;
- The club is committed to using The Diddy for its own functions and events. An estimate of the likely financial spend of the Club at The Diddy during these events is required.

Club Tenants

The Diddy has 2 tenants that trade from and share the club facilities.

Fitness Revelation continues to operate their fitness services in the club facilities.

The relationship with *Lusso Kitchen* continues to develop in a positive way. The commercial arrangements made with respect to the installation of the Pizza oven saw the Diddy earn rental income from the kitchen over and above outgoings. The first year of the new commercial arrangement will see the club earn rental income in excess of \$17,800.

Club Membership

Club membership continues to be strong with the total number of members fully paid at the end of June rising to 2208 (was 1664 in FY22). This process is well managed by Mark Perry at the front desk who does an excellent job. Compliance on entry will remain a top priority for the club and a new member/visitor entry registration process is currently being explored to ensure the club continues to comply with Club NSW regulations.

The Club does occasionally receive feedback from members who claim that they are not being notified of club events including membership renewals. The Club uses an industry leading CRM software package to send out emails to members on a regular basis. All members are encouraged to look in all their email folders, including Junk/Spam folders as email service providers often segregate out emails they recognize as coming from commercial organisations. If members *unsubscribe* from club communications, then they will also not receive emails. The Club regularly use both Facebook and Instagram to communicate to its members as well.

Club Management

The Board wishes to thank our General Manager Chris Keighery for once again doing a fantastic job over the last 12 months. Chris has done a fine job managing all the staff, capital works projects, our tenants, suppliers, and the relationship with our landlord the Council. He has overseen a growth in revenue of nearly 50% which in turn has meant hiring more staff, running larger shifts, and catering for many more customers.

Chairman's Report (cont'd)

Chris has continued to strengthen the management team within the club, putting in place a structure commensurate with the size and growth trajectory of the commercial operations. This team includes the appointment of a new full time bar manager.

The Board wishes to thank Chris and all his team for the tremendous efforts made over the last 12 months in making the Diddy a great place to visit.

Club Master Plan

As the Board looks to the future, it recognises there is much untapped potential that the club could realise. The club is reaching capacity on certain days, be they peak seasonal weekends in summer, and in particular where wet weather or cooler temperatures prohibit the full use of the external facilities.

The club management has made a number of recommendations to the Board in order to address this. Some modest requests have already been adopted e.g. opening a 3rd cash register on the bar. Additional waterproofing on the top green, to be soon installed, will increase cover from inclement weather. But the bigger changes will require more capital works.

The Board has been working on formulating a master plan that will encapsulate a series of phased developments that *could potentially* occur in the future. Such capital works will require considerable money and careful consideration. The Board is committed to try and ensure that growth is carefully managed and is conducted in way that preserves the nature and sustainability of the club.

In conclusion, I wish to thank members for their valued support and contribution to the on-going success of the club.

Kind regards



Wayne Rigney
Chairman
5 September 2023

DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 30 June 2023.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Wayne Rigney (Chairman)
Paul Heanly
Mel Simpson
Jim Forbes
Nicole Upfold
Robyn Brown
Jefferson Smith

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activities of the company during the year under review were those of a social bowling and licensed club. There were no significant changes in the nature of those activities during the year.

Operating Results

The profit/(loss) of the company for the year ended 30 June 2023 amounted to (\$8,204), (2022: profit \$47,624).

Review of Operations

The company's operations during the year performed in accordance with the expectations of the directors.

Significant Changes in State of Affairs

No significant changes in the Club's state of affairs occurred during the financial year.

Directors' Report (cont'd)

After Balance Date Events

No other significant subsequent event after 30 June 2023 has come to the attention of board of directors.

Future Developments

The company expects to maintain the present status and level of operations.

Environmental Issues

The club's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Indemnifying Officers or Auditors

The Club has during the financial year, in respect of any person who is or has been an officer of the company, paid premiums to insure:

- against a liability, including costs and expenses in successfully defending legal proceedings; and
- while acting in the capacity of an officer of the company other than conduct involving a wishful breach of duty in relation to the company.

The amount of the premium on the policy was \$1,583

Proceedings on Behalf of the Company

The Club has not been a party to any legal proceedings during the year.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2023 has been received and can be found on page 13 of the financial report.

Going Concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The ability of the company to continue to operate as a going concern is dependent upon the ability of the company to generate sufficient cash flows from trading to meet its liabilities. The directors believe that the going concern assumption is appropriate.

Directors' Report (cont'd)

Information on Directors

<p>Wayne Rigney (Chairman) Elected November 2021</p>	<p>Wayne has lived in the Longueville area and been a member of the Diddy for over 10 years. He is the founder and owner of Zjoosh a fashion and homewares retail enterprise as well as the Retail Score a retail analytics enterprise.</p> <p>In relation to the Club his objectives have been:</p> <ul style="list-style-type: none"> • Support existing management in achieving short and long term goals; • To continue to improve the quality of the services and facilities the Club provides; • Expand the role the club plays in supporting local sport, in particaular junior sport; • Support existing management in achieving short and long term goals; and • To futher encourage a broad based membership and the use of the facilities as a true community hub available to all. <p>Wayne has extensive experience in retail and is involved in junior rugby.</p>
<p>Mel Simpson Elected September 2017</p>	<p>Mel and his family have lived in Riverview and Northwood for over 35 years.</p> <p>Mel is a director of Donnelley Simpson Cleary, a building services consulting engineering company he started in early 1983.</p> <p>Mel is a chartered mechanical engineer and a Fellow of the Institution of Engineers, Australia.</p> <p>Mel has been involved on a number of engineering panels including the young engineers mentoring program, formulation of State Government building certification legislation and on a number of interview panels for engineers applying for chartered status.</p> <p>Mel joined The Diddy board in 2017.</p>

Directors' Report (cont'd)

Information on Directors (cont'd)

<p>Jim Forbes Elected September 2018</p>	<p>Jim and his family have lived in the Longueville/Northwood area for over 30 years and he is a passionate supporter of the local community.</p> <p>He is a Civil Engineer and Transport Planner and has served on the local and international boards of a number of engineering and industry organisations in his over 50-year professional career. He currently chairs the committee that writes the Standard for design and construction of concrete buildings in Australia and is on the advisory board of the UNSW Civil and Environmental Engineering School.</p> <p>He enjoys sailing, kayaking, running and bushwalking.</p>
<p>Nicole Upfold Elected September 2020</p>	<p>Nicky and her husband have lived in Longueville and Lane Cove since 1994 and have raised their family there. For most of these years they have been local members of the club.</p> <p>Nicky moved to Sydney shortly after graduating from Charles Stuart University in Bathurst in 1988. They found their first home on River Rd, just around the corner from the club. The local community that exists in our suburb is unique and The Longueville Sporting Club (a.k.a. The Diddy) is a well-deserved operation in our community.</p> <p>Alongside operating their family's Early Learning Centres, Nicky sits as the director in the Guild Early Learning Workers Compensation and Australian Childcare Alliance Boards. These have been positions she has held for many years. Nicky is more than aware of what is required to be a director and the importance of working together with other Directors, Club Management, and staff to bring about the best possible outcomes for the club and our community.</p>

Directors' Report (cont'd)

Information on Directors (cont'd)

<p>Nicole Upfold (cont'd) Elected September 2020</p>	<p>Nicky's formal qualifications are Degrees in Early Childhood and Nursing; however, she has been self-employed since 1993. With that comes a high understanding of what a business needs are, and management needs such as finances.</p>
<p>Robyn Brown Elected September 2020</p>	<p>Robyn is a local resident of Lane Cove and has been a member of the Longueville Sporting Club since June 2013. She has served as a Director on the Board since September 2020.</p> <p>Robyn has a background in business and holds a Bachelor of Business with a major in marketing. She has worked in marketing positions across several industries, including financial services and the charity sector. In more recent times, Robyn has worked in the travel industry, holding management positions in the areas of sales, contracting and product development. While continuing to work in travel, Robyn has also undertaken study in sustainable practice to help contribute to this growing area of importance.</p> <p>Robyn also has a strong belief in the community and has been involved in a number of community groups in the past and is keen to continue to support the local community in a proactive way.</p>
<p>Jeff Smith Elected November 2021</p>	<p>Jeff has lived in Longueville/Northwood since December 1987 and became a member of The Longueville Sporting Club circa 1989.</p>

Directors' Report (cont'd)

Information on Directors (cont'd)

<p>Jeff Smith (cont'd) Elected November 2021</p>	<p>Jeff was in retail in apparel for 28 years and food for 5 years and worked his way up to General Manager level of a reasonably large apparel organisation, which he was responsible for more than doubling the size of, before starting his own operation. He then sold out of that situation in 1994 and did a certain amount of training through Securities Institute in order to take up various company directorships that were on offer and which he retains to this day. He has also served on the Strata Committees of eight strata plans, some large and some small.</p> <p>He has previously served on the club's board for some years. After being elected in his own right to the Board of The Longueville Sporting Club at the 2021 AGM, he is now seeking to serve the club for a further year.</p>
<p>Paul Heanly Elected November 2021</p>	<p>Paul and his family have lived in Lane Cove since 1997. Paul is keen to be involved with the Club and put back into the Lane Cove community. Paul says it is a great place to live with so much to offer.</p> <p>Paul is currently the Managing Director of Hunter Wealth. Paul has a history of working with community sporting clubs. His previous experience extends to 5 years as secretary of Lane Cove Junior Rugby, 5 years as Vice President of Newcastle University Rugby Club, and founding and current director of the Newcastle University Rugby Club Foundation.</p> <p>Paul is also a Graduate of the Australian Institute of Company Directors.</p>

Information on Directors (cont'd)

Meetings of Directors

During the financial year, 12 meetings of directors were held. Attendances by each director were as follows:

Director	Directors' Meetings	
	Eligible to attend	No. attended
Wayne Rigney	12	9
Mel Simpson	12	12
Jim Forbes	12	11
Nicole Upfold	12	10
Robyn Brown	12	11
Jefferson Smith	12	12
Paul Heanly	12	9

Signed in accordance with a resolution of the Board of Directors



Wayne Rigney
5 September 2023

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF LONGUEVILLE SPORTING CLUB LIMITED

In accordance with 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Longueville Sporting Club Limited.

As lead partner for the audit for the financial statements of Longueville Sporting Club Limited for the year ended 30 June 2023, I declare that to the best of my knowledge and belief here have been on contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

Infinity Financial
Chartered Accountants



Scott Bennison
Partner

Chartered Accountant
Date: 5 September 2023

71 Longueville Road LANE COVE NSW 2066

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 \$	2022 \$
Revenue	2	1,851,112	1,215,951
Other income	2	73,365	44,949
COVID-19 stimulus	2	-	57,792
Total revenue and income		1,924,477	1,318,692
Less: Cost of goods sold		(646,111)	(387,631)
Gross margin		1,278,366	931,061
Employee provisions expense		(656,674)	(417,135)
Depreciation and amortisation	3, 8	(143,510)	(119,475)
Occupancy, clubhouse and administration expenses		(419,976)	(297,842)
Professional expenses		(56,410)	(48,985)
Sponsorship		(10,000)	-
Total expenses		(1,286,570)	(883,437)
Current year surplus / (deficit) before income tax		(8,204)	47,624
Tax expense		-	-
Net current year surplus		(8,204)	47,624
Total other comprehensive income for the year		-	-
Total other comprehensive income for the year		-	-
Profit/(Loss) attributable to members of the entity		(8,204)	47,624
Total comprehensive income attributable to members of the entity		(8,204)	47,624

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Notes	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash on hand	4	132,190	180,150
Accounts receivable and other debtors	5	24,493	14,672
Inventories on hand	7	32,717	24,014
Other current assets	6	45,459	30,945
TOTAL CURRENT ASSETS		234,859	249,781
NON-CURRENT ASSETS			
Property plant and equipment	8	397,057	406,751
Right-of-Use Assets	8	86,856	96,948
TOTAL NON-CURRENT ASSETS		483,913	503,699
TOTAL ASSETS		718,772	753,480
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	9	124,494	141,373
Borrowings	9	12,000	12,000
Right-of-Use Property Lease liability		12,589	11,929
Employee provisions		6,710	6,514
TOTAL CURRENT LIABILITIES		155,793	171,816
NON-CURRENT LIABILITIES			
Borrowings	9	8,000	20,000
Right-of-Use Property Lease liability		74,267	85,019
Employee provisions		12,271	-
TOTAL NON-CURRENT LIABILITIES		94,538	105,019
TOTAL LIABILITIES		250,331	276,835
NET ASSETS		468,441	476,645
EQUITY			
Retained Earnings		476,645	429,021
Profit / (Loss) for the year		(8,204)	47,624
TOTAL EQUITY		468,441	476,645

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Total
	\$
Balance as at 1 July 2021	
Comprehensive income	429,021
Surplus for the year attributable to members of the entity	<u>47,624</u>
Total comprehensive income attributable to members of the entity	<u>47,624</u>
Balance as at 30 June 2022	<u>476,645</u>
Balance as at 1 July 2022	
Comprehensive income	476,645
Surplus/(deficit) for the year attributable to members of the entity	<u>(8,204)</u>
Total comprehensive income attributable to members of the entity	<u>(8,204)</u>
Balance as at 30 June 2023	<u>468,441</u>

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,851,112	1,277,563
Payments to suppliers and employees		(1,763,348)	(1,067,187)
Interest paid		-	-
Net cash generated from operating activities	11	<u>87,764</u>	<u>210,376</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property plant and equipment		(123,724)	(108,431)
Net cash used in financing activities		<u>(123,724)</u>	<u>(108,431)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Net (repayment)/funding from loans		(12,000)	(12,000)
Net cash used in financing activities		<u>(12,000)</u>	<u>(12,000)</u>
Net increase / (decrease) in cash held		(47,960)	89,945
Cash and cash equivalents at the beginning of the financial year		180,150	90,205
Cash and cash equivalents at the beginning of the financial year	4	<u>132,190</u>	<u>180,150</u>

The accompanying notes form part of these financial statements.

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

The financial statements cover Longueville Sporting Club Limited as an individual entity, incorporated and domiciled in Australia. Longueville Sporting Club Limited is a company limited by guarantee.

The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Note 1: Summary of Significant Accounting Policies

As defined in AASB 1053 Application of Tiers of Australian Accounting Standards a not-for-profit entity is eligible to apply the “Tier 2 reporting framework under Australian Accounting Standards”.

Accordingly, this General Purpose Financial Report – Simplified Disclosures has been prepared to satisfy the Directors’ reporting requirement under the *Corporations Act 2001 (Cth)*.

These financial statements were authorized by the Board of Directors on 5 September 2023.

Rounding of Amounts

“The Company” is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors’ reports) instrument 2016/191, relating to the rounding off of amounts in the Directors’ Report and consolidated financial statements. Unless otherwise expressly stated, amounts have been rounded off to the nearest whole number of Australian dollars.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of this report are as follows:

Accounting Policies

(a) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Revenue from the provision of services is recognised upon the delivery of the services to the members and customers.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (cont'd)

Note 1: Summary of Significant Accounting Policies (cont'd)

Government grants are taken to revenue on receipt of funds.

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

Interest income is recognised on an accrual basis.

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

(b) Inventories

Inventories comprise consumable goods and are measured at the lower of cost and net realisable value. Costs are assigned on a first in first out basis.

(c) Plant, Property and Equipment

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

Leasehold Improvements

The costs of renovations and improvements to buildings owned by Lane Cove Council but paid for by the company are being amortised over their useful lives. The carrying amount of leasehold improvements is reviewed annually by the directors to ensure it is not in excess of the recoverable amount of those assets.

Plant and Equipment

Plant and equipment is measured on the cost basis and is therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (cont'd)

Note 1: Summary of Significant Accounting Policies (cont'd)

Depreciation

The depreciable amount of all fixed assets is calculated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is available for use. Fixed assets are depreciated over their estimated useful lives.

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

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	5% - 20%
Plant and equipment	20% - 33%

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 comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(e) Employee Benefits

Provision is made for the company's liability for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave.

Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of accounts payable and other payables in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (cont'd)

Note 1: Summary of Significant Accounting Policies (cont'd)

The company does not make provision for employee entitlements such as annual leaves and long service leaves. These entitlements are charged as part of wages expenses when incurred.

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

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(g) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. 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.

(h) 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 Taxation Office (ATO).

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financial activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(i) Income Tax

The company does not pay any income tax.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (cont'd)

Note 1: Summary of Significant Accounting Policies (cont'd)

(j) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of reporting period.

(k) Comparative Figures

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

(l) Accounts Payable and Other Payable

Accounts payable and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(m) Segment Reporting

The company operates in one geographical location (Sydney) and in one industry (the licensed club industry). The reporting of segmental results is accordingly not applicable.

(n) Going Concern

This financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The ability of the company to continue to operate as a going concern is dependent upon the ability of the company to generate sufficient cash flows from trading to meet its liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (cont'd)

Note 2: Revenue and Other Income

	2023	2022
	\$	\$
Revenue from bar sales and (non-reciprocal) government grants		
Bar Sales	1,758,416	1,045,492
Poker Machines	84,507	147,902
GST Rebate – Gaming Clubs	8,189	22,557
Sub-total	<u>1,851,112</u>	<u>1,215,951</u>
Other Income		
Rental Income	33,591	20,677
Other	39,774	24,272
Total Other Income	<u>73,365</u>	<u>44,949</u>
COVID-19 Stimulus		
NSW government grant	-	15,000
Jobkeeper Supplement	-	42,792
	<u>-</u>	<u>57,792</u>
Total Revenue and Other Income	<u>1,924,477</u>	<u>1,318,692</u>

Note 3: Expenses

Employee Benefits Expense		
Superannuation Expenses	58,385	36,399
Total employee benefits expense	<u>58,385</u>	<u>36,399</u>
Depreciation & amortisation		
Right-of-Use Asset	10,092	7,596
Plant & equipment	43,687	36,761
Leasehold improvements	89,731	75,118
	<u>143,510</u>	<u>119,475</u>
Professional Services		
Accounting and bookkeeping services	50,881	39,989
Audit review services	5,529	6,155
Total professional expenses	<u>56,410</u>	<u>46,144</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (cont'd)

	2023	2022
	\$	\$
Note 4: Cash and Cash Equivalents		
CURRENT		
Cash at bank	116,690	164,650
Cash float	15,500	15,500
Total cash and cash equivalents	<u>132,190</u>	<u>180,150</u>
Note 5: Accounts Receivable and Other Debtors		
CURRENT		
Accrued income	24,493	14,672
Total Accounts Receivable and Other Debtors	<u>24,493</u>	<u>14,672</u>
Note 6: Prepayments		
CURRENT		
Prepayments	45,459	30,945
Total Prepayments	<u>45,459</u>	<u>30,945</u>
Note 7: Inventories on Hand		
CURRENT		
At Cost Inventory	32,717	24,014
	<u>32,717</u>	<u>24,014</u>
Note 8: Plant and Equipment and Leasehold Improvements		
Plant and Equipment		
Plant and Equipment at Cost	372,843	328,071
Less Accumulated Depreciation	(229,566)	(185,879)
	<u>143,277</u>	<u>142,192</u>
Leasehold Improvements		
Leasehold Improvements at Cost	495,662	416,710
Less Accumulated Amortisation	(241,882)	(152,151)
	<u>253,780</u>	<u>264,559</u>
Total	<u>397,057</u>	<u>406,751</u>

Poker machine licenses were allocated to the club when the Gaming Machines Act 2001 commenced in New South Wales. There was no purchase price for an entitlement. For information purposes only, we understand the current market value of the company's entitlement to 10 machines is approximately \$100,000.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (cont'd)

Note 8: Plant and Equipment and Leasehold Improvements (cont'd)

Movements in Carrying Amounts

Movement in the carrying amounts for plant and equipment and leasehold improvement between the beginning and the end of the current financial year are set out in the table below.

	Plant and Equipment	Leasehold Improvements	Total Property. Plant & Equipment	Right-of- Use Assets
	\$	\$	\$	\$
Financial Year 2022				
Balance at beginning of year	102,422	307,777	410,199	108,017
Additions at cost	76,531	31,900	108,431	(3,473) ⁽¹⁾
Depreciation / Amortisation expense	(36,761)	(75,118)	(111,879)	(7,596)
Carrying amount at end of year	142,192	264,559	406,751	96,948
Financial Year 2023				
Balance at beginning of year	142,192	264,559	406,751	96,948
Additions at cost	44,772	78,952	123,724	-
Depreciation / Amortisation expense	(43,687)	(89,731)	(133,418)	(10,092)
Carrying amount at end of year	143,277	253,780	397,057	86,856

⁽¹⁾ Full rental relief for 4 months during COVID lockdown.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (cont'd)

Note 9: Accounts Payable and Other Payables

	2023	2022
	\$	\$
CURRENT		
Trade Creditors	34,462	68,917
Employee Benefits – Super Liability	-	3,567
Tax Liabilities	6,092	4,858
Other Payables	83,940	64,031
Total	<u>124,494</u>	<u>141,373</u>
Loans and Government Grants		
Loan from local government	12,000	12,000
	<u>12,000</u>	<u>12,000</u>
NON-CURRENT		
Loan from local government	8,000	20,000
	<u>8,000</u>	<u>20,000</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (cont'd)

Note 11: Cash Flow Information

Reconciliation of Cash Flow from Operating Activities with Current Year Surplus:

	2023	2022
	\$	\$
Profit / (loss) attributable to members of the entity	(8,204)	47,624
<u>Non-Cash Flows</u>		
Depreciation and Amortisation	143,510	111,879
Changes in Assets and Liabilities		
(Increase)/Decrease in accounts receivable and other debtors	(9,821)	(5,968)
Increase/(Decrease) in accounts payable and other payables	(4,412)	79,967
(Increase)/Decrease in inventories on hand	(8,703)	(5,161)
(Increase)/Decrease in prepayments	(14,514)	(17,965)
(Decrease)/Increase in lease liability	(10,092)	-
Net cash generated from operating activities	<u>87,764</u>	<u>210,376</u>

Note 12: Operating Lease Commitments

No later than one year	10,589	10,589
Between one year and five years	43,968	43,968
	<u>54,557</u>	<u>54,557</u>

The above operating lease commitments are net of GST and relate to the premises of the Club which, expires on 30 November 2030. The directors are of the view that a new lease will be entered in to before expiration of the current lease to permit continued use of the premises past the expiration date.

Note 13: Capital Commitments

No later than one year	10,000	10,000
Between one year and five years	35,000	35,000
	<u>45,000</u>	<u>45,000</u>

Commitments are related to capital and maintenance requirements contained in the lease agreement with Lane Cove Council.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 (cont'd)

Note 14: Events after Balance Date

No other significant subsequent event after 30 June 2023 has come to the attention of board of directors.

Note 15: Entity Details

The registered office and principal place of business is:

Longueville Sporting Club Limited
Cnr Kenneth Street & River Road
Longueville, NSW 2066

Note 16: Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$1.00 each towards meeting any liabilities and obligations of the entity. On 30 June 2023, the number of financial members was 2213.

DIRECTORS DECLARATION

In accordance with a resolution of the directors of Longueville Sporting Club Limited, the directors of the company declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001 and that they:
 - (a) Comply with Australian Accounting Standards; and
 - (b) Give a true and fair view of the financial position of the company as at 30 June 2023 and its performance for the year ended 30 June 2023.

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.



Wayne Rigney
Chairman
5 September 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Longueville Sporting Club Limited

Opinion

We have audited the financial report of Longueville Sporting Club Limited (the "Club"), which comprises the statement of financial position as at 30 June 2023, the statement of profit and 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, including a summary of significant accounting policies, and the directors' declaration.

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

- i) giving a true and fair view of the Club's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards – Simplified Disclosures and *the Corporations Regulations 2001*.

Basis of 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 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 Club, 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Club's annual report for the year ended 30 June 2023 but does not include the financial report and the auditor's report thereon.

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 the 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 are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the presentation of the financial report that gives a true and fair view and 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 for the audit of the financial report

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

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

Infinity Financial
Chartered Accountants



Scott Bennison
Partner
Dated: 5 September 2023
Sydney