

CLUB JERVIS BAY
SPIRIT OF THE BAY

Club Jervis Bay Ltd

ABN 16 001 023 132

Annual Report - 30 June 2023

Club Jervis Bay Ltd

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30 June 2023

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General information

The financial statements cover Club Jervis Bay Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Club Jervis Bay Ltd's functional and presentation currency.

Club Jervis Bay Ltd is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

C/- Morton & Cord
70 North Street
NOWRA
NSW 2541

Principal place of business

8 Currambene Street
HUSKISSON
NSW 2540

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 11 August 2023. The directors have the power to amend and reissue the financial statements.



CLUB JERVIS BAY 2023 PRESIDENT'S REPORT TO MEMBERS

Dear Members,

As always, I want to thank you all for your continued support throughout the year. I am very pleased to watch our membership grow and, as of 30 June 2023, to know that the Club has in excess of 15,000 members.

In July, we underwent a re-branding and refined our Vision, Mission and Values and we have spent this year working to live up to these. At last year's AGM, I referred to a number of planned capital works projects. The investment in our member's core assets has been a major focus for the Board and Senior Management, and I think we can all agree, well overdue. The replacement and repairs to the roof and the renovation of the Terrace were the main focal point. For a Club with such an amazing view, it was disappointing that we were unable to utilise these areas when it rained due to the issues with the leaking roof. We now have a fantastic outdoor terrace, and we no longer have to close our indoor terrace when it rains.

Similarly, our gaming room now provides a modern area that is comfortable in all weather conditions and the design of the room is in keeping with our brand deck, reflecting our ties with the bay and the surrounding area.

We have also invested in a number of other areas, including replacing and increasing our solar panel system, targeting our waste management and reviewing our business practices to ensure we are sustainable and environmentally responsible.

These projects totalled \$1.3M and were largely filtered through our cash flow. Despite the loss this year, we remain a strong and sustainable Club. The loss was a result of the economic downturn experienced in the last quarter of the financial year, an effect of rising interest rates and cost of living, which saw trade drop by record numbers, not just for our Club but across the region. We will continue to grow our cash reserves to allow us to ensure that we are able to re-invest in our member's assets to provide a Club which has great facilities, great people and continually contributes to our fantastic Community.

We are continuing with our investment in our Community. Over the past 12 months, we have donated over \$90,000 to Community and Sporting Groups in our local area. It is something I am personally very proud of and very passionate about. Our sponsorship allows community and sporting groups to do what they do best, helping and investing in the people in our community.

The Club will continue to work on its major capital works project, the development of the land between us and the Huskisson Hotel, and we have already undertaken the first part of the feasibility study to ensure that when we do undertake these works, we do so in a manner which ensures the Club remains financially secure.

I want to take the opportunity to thank our CEO, Mr John West, and his team for their work over the past year. I would also like to thank the Board, who have provided support and guidance to myself, Mr West and his team and ensured Club Jervis Bay continues to flourish.

Looking back at how far we have come in the past 7 years since I was elected as President gives me great hope for the future and I am both excited and proud to continue in my role as President of this fantastic Club.



A handwritten signature in black ink that reads "Gary Elliott". The signature is written in a cursive, flowing style.

Gary Elliott

President

2023 TREASURERS REPORT TO MEMBERS

Total Assets	17,474,312.50
Total Liabilities	4,238,961.11
Total Equity	13,235,351.39
Income	26,315,470.04
Expenses	26,442,610.39
Net Profit	-127,140.35



Department Snapshot	EOY Income	EOY Expenditure	EOY 2023	EOY 2022
Bar	1,843,113.14	1,137,358.59	705,754.55	533,178.31
Gaming	19,908,941.18	17,528,684.61	2,380,256.57	1,877,163.66
Catering Bayview	3,139,738.22	2,604,054.99	535,683.23	205,897.46
Catering Café	219,443.35	136,435.59	83,007.76	40,088.36
Catering Pizza	630,802.72	513,352.65	117,450.07	115,866.53
Functions	18,508.88	2,008.73	16,500.15	21,753.86
Keno & Tab Commission	90,322.68	104,336.63	-14,013.95	-15,316.49
Social Activities	225,012.09	349,524.46	-124,512.37	-93,249.59
Reception	328.95	227,211.74	-226,882.79	-42,948.41
Bottle Shop	36,568.07	20,091.48	16,476.59	16,215.49
General Expenses	-	3,802,910.92	-3,802,910.92	-3,267,757.80
Other Income	202,690.76	-	202,690.76	738,357.39
Other Expenses- Suspense Acc	-	16,640.00	-16,640.00	-29,125.64
Total Profit/Loss	26,315,470.04	26,442,825.39	-127,140.35	100,123.13

Over the past 12 months, Club Jervis Bay has donated \$98,023.70 in Community Sponsorship and has created a Community meeting room to allow all Community Groups a place to meet without cost.

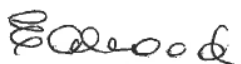
The Club undertook two major projects being, the repairs to the roof and gaming area:

- Gaming Room \$630,111.72 (nett)
- Roof replacement and Repairs \$345,370.08 (nett)

The cost of living and the record 11 interest rates impacted the Club's trade levels over the last quarter of the year. To manage this downturn, the Directors have implemented the following measures;

- Reviewing all business practices
- Reducing employee expenses
- Identified savings through the termination of consultants, contractors, and subscriptions
- All capital works projects have been postponed for at least 12 months.

I want to thank the members & guests for your continued support and our CEO, John West and the Club Jervis Bay staff for your dedication during these difficult times.

Elizabeth Abood.
Treasurer



CLUB JERVIS BAY 2023 CHIEF EXECUTIVE OFFICER REPORT TO MEMBERS

Dear Members,

This year has really flown by. When I sat down to write this report, I read back through my 2022 report to reflect on the previous year. Wow, what a difference 12 months makes.

In the last 12 months, the Club has seen several long-term projects come to fruition and I am very proud of the work undertaken.

When I first joined the Club in 2017, I knew the Board and I had some serious work ahead to turn the Club around. The Club's financial position was shaky, and it had no ability to reinvest in its member's assets, not just in terms of the physical building but also its systems, its processes and its policies.

We embarked on a journey and now we have a great story to tell. We have worked out who we are, what we stand for and where we want to be positioned in the Community. We reviewed how we conducted our business, and we implemented major changes to our systems and our processes. We can now plan for the future.

Investing in the Club's assets is fundamental to the future success of the business. Not having the ability to reinvest and upgrade the Club's assets has a negative effect on trade and the comfort of our members and guests. In the last 12 months, we have invested over \$1.3M into our member's assets, including the replacement and repairs to the roof, renovation of the terrace, renovations to the gaming room, upgrades to our solar power systems, new courtesy bus and furnishings. It is wonderful to see our members and guests now able to enjoy the Club's facilities in the comfort they deserve.

We have focussed on our community and built what I hope to be lifetime relationships with new community and sporting groups, and strengthened the relationships we have with our existing Sub-Clubs and Community groups. The new Community Room provides all our sub-Clubs, community and sporting groups a free facility to meet and hold small gatherings and functions.

We focussed on our staffing levels, staff training, and staff well-being. We have introduced a full-time HR Manager to look after our staff and we continue to strive to be the employer of choice in the area. We value our staff, and this is reflected in their conduct and customer service.

We launched our new brand and gave back to our members through our new rewards programs and promotions.

In May this year, we undertook a member's survey. I want to thank all our members who took the time to give us their feedback, it was very useful in reviewing our Bay Rewards Program and the results were impressive and very welcomed. It certainly showed us how far we had come since the last member's survey.

The last quarter of the year did see a dip in trade, impacted by a severe spike in interest rates and the cost of living, seeing consumer confidence dropping. This and the downtime during our capex projects have seen the Club post a loss of \$127,140 over the last financial year. We will continue to review and adapt our business processes to accommodate this changing financial landscape and we have seen promising numbers over the first two trading periods of the new financial year.

The next 12 to 36 months will see the Club focus on building on the feasibility study. There will be minimal changes in terms of capital works as we focus on building on our cash reserves, ready to undertake the stage of capital development, which will be the big one, developing 71 Owen Street and expanding the Club.

I look forward to the coming years. It is truly exciting to be in a position that allows us to seriously plan for the future and to unlock the real potential this fantastic Club has.

I want to thank all our members, the Board of Directors and all the staff. My job would not be possible without your support.



A handwritten signature in black ink, appearing to read "John West". The signature is fluid and cursive.

John West

Chief Executive Officer

Club Jervis Bay Ltd
Directors' report
30 June 2023

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2023.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Gary Elliott
Bob Roach
Elizabeth Abood
John Mendola
Marilyn Fetch
Michael Reid
Leona Curran
Kevin Nimmo (to October 2022)

Objectives

The Club's short term objectives are:

- On an ongoing basis, to develop the Clubs strategic direction and governance
- Focus on community engagement
- Robust financial management
- Strong marketing and communication
- Develop and maintain the Club's workforce

Long term objectives

- To reduce the Club's debt position
- To monitor financial performance in a proactive manner
- To develop and enrich the wider community

Strategy for achieving the objectives

Through the strategic planning process, the Board and Senior Management identified and determined the 6 KPIs to be the strategic focus for Club Jervis Bay for the next five years and beyond. The KPIs are supported by action plans targeting the Club's financial management; asset management; brand and marketing; and human resource management.

The major focus of the Club's management in the ensuing year will be to reduce current liabilities and generate cash at bank.

Principal activities

The principal activities of the Company consisted of the conduct and promotion of a Registered Club and the provision of recreation facilities to members of the Club.

Operating Result

The table below shows a reconciliation of Club Jervis Bay Ltd earnings before interest, income tax, depreciation, amortisation, gains and impairment losses. This is referred to as EBITDA.

Club Jervis Bay Ltd
Directors' report
30 June 2023

	2023 \$	2022 \$	Change \$	Change %
Net profit attributable to members	<u>(127,140)</u>	<u>100,124</u>	<u>(227,264)</u>	(227%)
Add back:				
Depreciation expense	592,388	566,030	26,358	5%
Net (gains)/losses on disposal of property, plant and equipment	(61,963)	27,170	(89,133)	(328%)
Interest expenses	<u>109,618</u>	<u>56,066</u>	<u>53,552</u>	96%
EBITDA	<u>512,903</u>	<u>749,390</u>	<u>(236,487)</u>	

State of affairs

The Club has experienced financial challenges due to the current economic climate, resulting in cash flow issues. To prevent future impacts on the Club, certain measures have been put in place.

There have been no other significant changes in the state of affairs of the Company during the year.

Information on directors

Name: Gary Elliott
Title: Director
Experience and expertise: Board member since 2014
Special responsibilities: President

Name: Robert Roach
Title: Director
Experience and expertise: Board member since 1990
Special responsibilities: Vice President

Name: Elizabeth Abood
Title: Director
Experience and expertise: Board member since 2017
Special responsibilities: Treasurer

Name: John Mendola
Title: Director
Experience and expertise: Board member since 2014

Name: Marilyn Fetch
Title: Director
Experience and expertise: Board member since 2019

Name: Michael Reid
Title: Director
Experience and expertise: Board member since 2022

Name: Leona Curran
Title: Director
Experience and expertise: Board member since 2022

Club Jervis Bay Ltd
Directors' report
30 June 2023

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Full Board		Special Board Meeting		Board Executive Committee	
	Attended	Held	Attended	Held	Attended	Held
Gary Elliott	11	11	3	3	2	2
Bob Roach	10	11	2	3	2	2
Elizabeth Abood	10	11	3	3	2	2
John Mendola	10	11	3	3	-	-
Marilyn Fetch	11	11	3	3	-	-
Michael Reid	6	7	-	-	-	-
Leona Curran	6	7	-	-	-	-
Kevin Nimmo (to October 2022)	3	3	3	3	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Contributions on winding up

In the event of the company being wound up, ordinary members are required to contribute a maximum of \$2 each. Honorary members are not required to contribute.

The total amount that members of the company are liable to contribute if the company is wound up is \$33,560, based on 16,780 current ordinary members.

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 immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Gary Elliott
President



Elizabeth Abood
Treasurer

11 August 2023

Auditor's Independence Declaration to the Directors of Club Jervis Bay Ltd

As lead auditor for the audit of the financial report of Club Jervis Bay Ltd for the financial year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b. no contraventions of any applicable code of professional conduct in relation to the audit.

Morton & Cord

Morton & Cord



Michael Lees
Partner
Nowra
11 August 2023

Club Jervis Bay Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue from contracts with customers	4	9,584,486	7,251,865
Other income	5	176,482	674,622
Interest revenue		-	69
Expenses			
Other operating expenses	6	(2,389,729)	(1,814,046)
Cost of sales		(2,206,755)	(1,656,446)
Employee benefits expense		(4,589,618)	(3,733,844)
Depreciation and amortisation expense		(592,388)	(566,030)
Finance costs		(109,618)	(56,066)
Surplus/(deficit) before income tax expense		(127,140)	100,124
Income tax expense	7	-	-
Surplus/(deficit) after income tax expense for the year attributable to the members of Club Jervis Bay Ltd	19	(127,140)	100,124
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of Club Jervis Bay Ltd		(127,140)	100,124

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Club Jervis Bay Ltd
Statement of financial position
As at 30 June 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	8	502,613	936,414
Trade and other receivables	9	16,537	91,691
Inventories	10	136,557	96,610
Other	11	193,917	190,578
Total current assets		<u>849,624</u>	<u>1,315,293</u>
Non-current assets			
Property, plant and equipment	12	16,552,612	15,472,887
Intangibles	13	74,342	74,342
Other	11	15,475	20,022
Total non-current assets		<u>16,642,429</u>	<u>15,567,251</u>
Total assets		<u>17,492,053</u>	<u>16,882,544</u>
Liabilities			
Current liabilities			
Trade and other payables	14	1,058,966	509,161
Borrowings	15	416,872	151,229
Lease liabilities	16	192,660	118,125
Provisions	17	307,260	307,044
Total current liabilities		<u>1,975,758</u>	<u>1,085,559</u>
Non-current liabilities			
Trade and other payables	14	30,402	-
Borrowings	15	1,973,567	2,200,000
Lease liabilities	16	219,295	182,564
Provisions	17	57,676	51,926
Total non-current liabilities		<u>2,280,940</u>	<u>2,434,490</u>
Total liabilities		<u>4,256,698</u>	<u>3,520,049</u>
Net assets		<u>13,235,355</u>	<u>13,362,495</u>
Equity			
Reserves	18	4,275,026	4,275,026
Retained surpluses	19	8,960,329	9,087,469
Total equity		<u>13,235,355</u>	<u>13,362,495</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Club Jervis Bay Ltd
Statement of changes in equity
For the year ended 30 June 2023

	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2021	4,279,016	8,987,345	13,266,361
Surplus after income tax expense for the year	-	100,124	100,124
Other comprehensive income for the year, net of tax	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	100,124	100,124
Reversal of financial assets in reserves	(3,990)	-	(3,990)
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2022	4,275,026	9,087,469	13,362,495
	<hr/>	<hr/>	<hr/>
	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2022	4,275,026	9,087,469	13,362,495
Deficit after income tax expense for the year	-	(127,140)	(127,140)
Other comprehensive income for the year, net of tax	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	(127,140)	(127,140)
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2023	4,275,026	8,960,329	13,235,355
	<hr/>	<hr/>	<hr/>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Club Jervis Bay Ltd
Statement of cash flows
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		10,592,213	6,800,858
Payments to suppliers and employees (inclusive of GST)		<u>(9,882,241)</u>	<u>(7,463,579)</u>
		709,972	(662,721)
Interest received		-	69
Other revenue		114,519	993,550
Interest and other finance costs paid		<u>(109,618)</u>	<u>(56,066)</u>
Net cash from operating activities		<u>714,873</u>	<u>274,832</u>
Cash flows from investing activities			
Payments for property, plant and equipment	12	(1,406,494)	(684,607)
Payments for intangibles	13	-	(15,022)
Payments for security deposits		(1,231)	(5,920)
Proceeds from disposal of property, plant and equipment		<u>108,575</u>	<u>-</u>
Net cash used in investing activities		<u>(1,299,150)</u>	<u>(705,549)</u>
Cash flows from financing activities			
Proceeds/(repayment) of bank loans		39,210	156,090
Proceeds/(repayment) of leases		111,266	30,653
Repayment of borrowings		<u>-</u>	<u>97,320</u>
Net cash from financing activities		<u>150,476</u>	<u>284,063</u>
Net decrease in cash and cash equivalents		(433,801)	(146,654)
Cash and cash equivalents at the beginning of the financial year		<u>936,414</u>	<u>1,083,068</u>
Cash and cash equivalents at the end of the financial year	8	<u>502,613</u>	<u>936,414</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The company has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments.

Going concern

These financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

A significant downturn in trade during the last quarter of the financial year and the unprecedented rise in interest rates has severely affected the cash flow of the Club with net loss of \$309,360 being recorded for the final quarter of the year being April to June 2023. At balance date Current liabilities exceeds current assets by \$1,126,134. Since balance date and at the time of this report the net current liability position has improved by \$137,455.

Since the balance date, the Company has implemented the following measures to improve its trading performance and cash flow management, reducing operating costs and reconfirming the level of support from the Commonwealth Bank of Australia Ltd. This allows the statutory financial report to be prepared on a going concern basis. As a result of the measures implemented below, the Directors believe that the company will continue as a going concern.

The following measures have been implemented by the Club.

- The Club has renegotiated its debt with the CBA from principle and interest to interest only for a 12 month period
- The Club has also negotiated a temporary overdraft with the CBA of \$300,000 until February 2024
- Employee expenses have been reduced, forecasting an approximate \$200,000 in annual savings
- Identified savings through the termination of consultants, contractors, and subscriptions of \$92,000
- All noncritical capital works projects have been postponed for a minimum of 12 months
- Non-recurring expenses from the Clubs rebranding and membership benefits have now terminated. The cost to the Club of rebranding in the 2023 financial year was \$170,000
- Other small cost saving measures within the Club have also been implemented

Note 1. Significant accounting policies (continued)

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and the Corporations Act 2001, as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

The company recognises revenue as follows:

Food and beverage sales and poker machine income

Revenue from the sale of goods comprises of revenue earned from the provision of food, beverage and other goods and is recognised at a point in time when the performance obligation is satisfied that is on delivery of goods to the customer.

Rendering of services

Revenue from rendering services comprises revenue from gaming facilities together with other services to members and other patrons of the club and is recognised at a point in time when the services are provided.

Customer loyalty program

The company operates a loyalty reward program where customers accumulate points for dollars spent. The reward points are recognised as a separately identifiable component of the initial sale transaction, by allocating the fair value of the consideration received between the reward points and the other components of the sale, such that the reward points are recognised at their fair value. Revenue from the reward points is recognised when the points are redeemed. The amount of revenue is based on the number of points redeemed relative to the total number expected to be redeemed.

Commission income

Commissions income is recognised over the period in which the related services are rendered.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Note 1. Significant accounting policies (continued)

Volume rebates

Breweries provide the Club cash rebates per volume rebate agreements. Volume-related income is recognised each financial quarterly period.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and the adjustment recognised for prior periods, where applicable.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle the claim simultaneously.

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 food 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.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Note 1. Significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes 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 credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, at least every 5 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	40 years
Leasehold improvements	3-10 years
Plant and equipment	3-7 years

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

Note 1. Significant accounting policies (continued)

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

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 intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Borrowing costs

Costs in relation to borrowings are capitalised as an asset and amortised on a straight-line basis over the period of the finance arrangement.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

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 their 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.

Note 1. Significant accounting policies (continued)

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 1. Significant accounting policies (continued)

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Member's mortality benefits

Upon the death of an Ordinary Member who was admitted as a Member prior to 1 January 1990 and has held continuous membership, a benefit of up to \$400 is payable. The Club's policy is to recognise the benefits as an expense in the statement of comprehensive income as they are paid out.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other 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 financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future 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.

Poker machine licences

Poker machine entitlements are considered to be intangible assets with an indefinite life as there is no set term for holding the entitlements. As a result the entitlements are not subject to amortisation. Instead, poker machine entitlements are tested for impairment annually and are carried at cost less accumulated impairment losses. Poker machine entitlements are not considered to have an active market, hence the fair value is calculated using the value in use method based on management's forecasts.

Note 3. Restatement of comparatives

Reclassification

The statement of profit and loss and other comprehensive income has been redesigned in this annual report to enable members better to understand the nature of income and expenses for clarity. This redesign focuses on the nature of income and expenses and removes hybrid reporting. 'Other operating expenses' is now detailed in Note 6. Comparative figures have been restated for consistency.

Club Jervis Bay Ltd
Notes to the financial statements
30 June 2023

Note 4. Revenue from contracts with customers

	2023	2022
	\$	\$
Poker machine net revenue	3,509,417	2,717,327
Bar sales	1,879,681	1,389,360
Catering sales	3,359,182	2,364,535
Cheesy Grin sales	630,388	489,390
Membership subscriptions	-	125,534
Commission - TAB, Keno and ATM	144,517	112,946
Entertainment revenue	61,301	52,773
	<u>9,584,486</u>	<u>7,251,865</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	2023	2022
	\$	\$
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	9,584,486	7,125,826
Services transferred over time	-	126,039
	<u>9,584,486</u>	<u>7,251,865</u>

Note 5. Other income

	2023	2022
	\$	\$
Net gain on disposal of property, plant and equipment	61,963	(27,170)
Subsidies - apprentices	9,091	41,447
Insurance recoveries	-	173,365
Grants - JobSaver	-	394,444
Volume rebates	62,716	29,255
Other revenue	42,712	63,281
	<u>176,482</u>	<u>674,622</u>

Note 6. Other operating expenses

	2023	2022
	\$	\$
Administration	259,067	226,357
Promotion and marketing	327,239	231,915
Light & power	176,067	152,147
Indirect bar operating expenses	30,090	10,274
Repairs and maintenance	117,564	89,902
Members benefits expenses	288,463	93,301
Insurance expenses	156,257	155,793
Indirect employment expenses	55,834	49,009
Cleaning expenses	89,628	121,162
Property rates	34,177	26,181
Banking transaction expenses	73,199	49,274
Indirect poker machine expenses	61,860	62,098
Poker machine tax	600,996	424,633
ClubGrants and donations	56,623	45,484
Security expenses	57,057	73,032
Other expenses	5,608	3,484
	<u>2,389,729</u>	<u>1,814,046</u>

Note 7. Income tax expense/(benefit)

	2023	2022
	\$	\$
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Employee benefits	16,756	24,146
Accrued expenses	8,594	1,485
Plant and equipment	(131,731)	(254,056)
Carried forward tax losses	563,542	505,334
	<u>457,161</u>	<u>276,909</u>
Total deferred tax assets not recognised	<u>457,161</u>	<u>276,909</u>

The above potential tax benefit, which includes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Club Jervis Bay Ltd
Notes to the financial statements
30 June 2023

Note 8. Cash and cash equivalents

	2023	2022
	\$	\$
<i>Current assets</i>		
Cash on hand	215,000	300,000
Cash at bank	287,613	636,414
	<u>502,613</u>	<u>936,414</u>

Note 9. Trade and other receivables

	2023	2022
	\$	\$
<i>Current assets</i>		
Trade receivables	16,537	15,713
Other receivables	-	75,978
	<u>16,537</u>	<u>91,691</u>

Note 10. Inventories

	2023	2022
	\$	\$
<i>Current assets</i>		
Stock on hand - at cost	136,557	96,610

Note 11. Other

	2023	2022
	\$	\$
<i>Current assets</i>		
Prepayments	191,766	189,658
Security deposits	2,151	920
	<u>193,917</u>	<u>190,578</u>
<i>Non-current assets</i>		
Security deposits	5,000	5,000
Other non-current assets	10,475	15,022
	<u>15,475</u>	<u>20,022</u>
	<u>209,392</u>	<u>210,600</u>

Club Jervis Bay Ltd
Notes to the financial statements
30 June 2023

Note 12. Property, plant and equipment

	2023 \$	2022 \$
<i>Non-current assets</i>		
Land and buildings - at cost	13,917,993	12,992,704
Plant and equipment - at cost	1,390,482	1,124,438
Less: Accumulated depreciation	(686,067)	(573,114)
	<u>704,415</u>	<u>551,324</u>
Motor vehicles - at cost	194,227	256,182
Less: Accumulated depreciation	(35,670)	(204,596)
	<u>158,557</u>	<u>51,586</u>
Poker machines	2,512,573	2,607,812
Less: Accumulated depreciation	(1,305,674)	(1,027,812)
	<u>1,206,899</u>	<u>1,580,000</u>
Rights of use assets	513,086	200,855
Less: Accumulated depreciation	(42,511)	(8,530)
	<u>470,575</u>	<u>192,325</u>
Capital work in progress	94,173	104,948
	<u>16,552,612</u>	<u>15,472,887</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land & buildings \$	Plant & equipment \$	Motor vehicles \$	Poker machines \$	Rights of use assets \$	Capital works In progress \$	Total \$
Balance at 1 July 2022	12,992,704	551,324	51,586	1,580,000	192,325	104,948	15,472,887
Additions	869,457	266,044	171,118	99,875	312,231	-	1,718,725
Disposals	-	-	(46,612)	-	-	-	(46,612)
Transfers in/(out)	205,889	-	-	(195,114)	-	(10,775)	-
Depreciation expense	(150,057)	(112,953)	(17,535)	(277,862)	(33,981)	-	(592,388)
Balance at 30 June 2023	<u>13,917,993</u>	<u>704,415</u>	<u>158,557</u>	<u>1,206,899</u>	<u>470,575</u>	<u>94,173</u>	<u>16,552,612</u>

Core Properties

- Club Jervis Bay premises, 8 Currambene St, Huskisson NSW 2540

Club Jervis Bay Ltd
Notes to the financial statements
30 June 2023

Note 13. Intangibles

	2023	2022
	\$	\$
<i>Non-current assets</i>		
Other intangible assets - at cost	<u>74,342</u>	<u>74,342</u>

Note 14. Trade and other payables

	2023	2022
	\$	\$
<i>Current liabilities</i>		
Trade payables	1,058,866	508,601
Other payables	<u>100</u>	<u>560</u>
	<u>1,058,966</u>	<u>509,161</u>
<i>Non-current liabilities</i>		
Trade payables	<u>30,402</u>	<u>-</u>
	<u>1,089,368</u>	<u>509,161</u>

Note 15. Borrowings

	2023	2022
	\$	\$
<i>Current liabilities</i>		
Bank loans - CBA	268,094	53,909
Insurance funding	135,437	97,320
Equipment loan - CBA	<u>13,341</u>	<u>-</u>
	<u>416,872</u>	<u>151,229</u>
<i>Non-current liabilities</i>		
Bank loans - CBA	1,927,606	2,200,000
Equipment loan - CBA	<u>45,961</u>	<u>-</u>
	<u>1,973,567</u>	<u>2,200,000</u>
	<u>2,390,439</u>	<u>2,351,229</u>

Club Jervis Bay Ltd
Notes to the financial statements
30 June 2023

Note 15. Borrowings (continued)

Total secured liabilities

The total secured liabilities are as follows:

	2023	2022
	\$	\$
CBA BetterBusiness loan	2,241,661	2,253,909
CBA corporate charge card	30,000	30,000
CBA equipment loan	59,302	-
	<u>2,330,963</u>	<u>2,283,909</u>

Assets pledged as security

First Registered Mortgage by Club Jervis Bay Ltd over Non Residential Real Property located at 8 Currambene Street Huskisson NSW 2540

General Security Interest by Club Jervis Bay Ltd comprising: First ranking charge over ALL Present & After Acquired Property.

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	2023	2022
	\$	\$
Total facilities		
CBA BetterBusiness Loan	1,927,606	2,200,000
CBA BetterBusiness Loan	268,094	53,909
CBA Corporate Charge Card	30,000	30,000
CBA equipment loan	59,302	-
	<u>2,285,002</u>	<u>2,283,909</u>
Used at the reporting date		
CBA BetterBusiness Loan	1,927,606	2,200,000
CBA BetterBusiness Loan	268,094	53,909
CBA Corporate Charge Card	-	-
CBA equipment loan	59,302	-
	<u>2,255,002</u>	<u>2,253,909</u>
Unused at the reporting date		
CBA BetterBusiness Loan	-	-
CBA BetterBusiness Loan	-	-
CBA Corporate Charge Card	30,000	30,000
CBA equipment loan	-	-
	<u>30,000</u>	<u>30,000</u>

The CBA BetterBusiness Loans are principal and interest payment loans, repayable in monthly instalments and due to mature in 2024. The variable interest rate is 5.99% (2022: 4.24%).

Note 15. Borrowings (continued)

The CBA equipment loan is for the purchase of the Club's courtesy bus. The loan is repayable over 60 months at a fixed interest rate of 6.83%. The goods title passed to the Club immediately and therefore is classified as a loan.

Note 16. Lease liabilities

	2023	2022
	\$	\$
<i>Current liabilities</i>		
Lease liability	<u>192,660</u>	<u>118,125</u>
<i>Non-current liabilities</i>		
Lease liability	<u>219,295</u>	<u>182,564</u>
	<u>411,955</u>	<u>300,689</u>
Future cash outflows from leases analysis		
<i>Future lease payments are due as follows:</i>		
Within one year	204,520	144,391
One to five years	<u>232,706</u>	<u>167,937</u>
	<u>437,226</u>	<u>312,328</u>

The Club has lease contracts for poker machines used in its operations. These leases generally have lease terms between 2 and 3 years. The Club's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Club is restricted from assigning and subleasing the leased asset. The poker machines are depreciated over their useful lives.

The amount of expense relating to short-term leases and leases of low-value assets recognised in profit or loss during the year ended 30 June 2023 was \$5,095

	2023	2022
Statement of profit or loss and other comprehensive income		
<i>The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Club is a lessee are shown below:</i>		
Depreciation expense on right-of-use assets	33,981	8,530
Interest expense on lease liabilities	<u>14,003</u>	<u>1,956</u>
	<u>47,984</u>	<u>10,486</u>

Club Jervis Bay Ltd
Notes to the financial statements
30 June 2023

Note 17. Provisions

	2023	2022
	\$	\$
<i>Current liabilities</i>		
Annual leave	258,277	293,619
Long service leave	19,175	13,425
Superannuation	29,808	-
	<u>307,260</u>	<u>307,044</u>
<i>Non-current liabilities</i>		
Long service leave	<u>57,676</u>	<u>51,926</u>
	<u>364,936</u>	<u>358,970</u>

Note 18. Reserves

	2023	2022
	\$	\$
Revaluation surplus reserve	<u>4,275,026</u>	<u>4,275,026</u>

Note 19. Retained surpluses

	2023	2022
	\$	\$
Retained surpluses at the beginning of the financial year	9,087,469	8,987,345
Surplus/(deficit) after income tax expense for the year	<u>(127,140)</u>	<u>100,124</u>
Retained surpluses at the end of the financial year	<u>8,960,329</u>	<u>9,087,469</u>

Note 20. Key management personnel disclosures

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that Company is considered key management personnel.

The Key Management Personnel (KMP) of the Company during the year are:

Club Jervis Bay Ltd
Notes to the financial statements
30 June 2023

Note 20. Key management personnel disclosures (continued)

Name	Position
Gary Elliott	Chairperson
Robert Roach	Vice-President
Elizabeth Abood	Treasurer
John Mendola	Director
Marilyn Fetch	Director
Michael Reid	Director
Leona Curran	Director
John West	Chief Executive Officer/Company Secretary
Cassy Jenkins	Gaming Manager
Ben Crouch	Operations Manager
Zowie Farmilo	Finance Manager
Daniel Potter	Catering Manager / Head Chef

Compensation

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2023	2022
	\$	\$
Aggregate compensation	<u>763,939</u>	<u>412,111</u>

Key management personnel employee numbers 2023: 12 (2022: 8)

Note 21. Remuneration of auditors

During the financial year, the following fees were paid or payable for services provided by Morton & Cord, the auditor of the company:

	2023	2022
	\$	\$
<i>Audit services -</i>		
Audit of the financial statements	<u>21,600</u>	<u>20,436</u>
<i>Other services -</i>		
Preparation of the tax return	2,000	2,000
Preparation of annual report	<u>7,200</u>	<u>7,270</u>
	<u>9,200</u>	<u>9,270</u>
	<u>30,800</u>	<u>29,706</u>

Note 22. Related party transactions

Parent entity

Club Jervis Bay Ltd is the parent entity.

Note 22. Related party transactions (continued)

Key management personnel

Disclosures relating to key management personnel are set out in note 20.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

During the year, a family member of the CEO, was employed as a casual bar attendant. This position was on normal commercial terms and no more favourable than those available to other staff.

During the year, the spouse of a Director, Elizabeth Abood, was employed as a casual employee performing general duties. This position was on normal commercial terms and no more favourable than those available to other staff.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 23. Events after the reporting period

The Club has negotiated a temporary overdraft with the Commonwealth Bank of Australia Ltd for \$300,000. This is set for review in February 2024.

The Club has renegotiated the current outstanding loan with CBA to an interest-only loan for 12 months. At the end of this term, the loan will revert to principal and interest.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect, the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Club Jervis Bay Ltd
Directors' declaration
30 June 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Gary Elliott
President



Elizabeth Abood
Treasurer

11 August 2023

Independent Auditor's Report to the Members of Club Jervis Bay Ltd

Opinion

We have audited the financial report of Club Jervis Bay Ltd (the company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Club Jervis Bay Ltd 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 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 (including Independence Standards)* (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 Club Jervis Bay Ltd, 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Company incurred a net loss of \$127,141 during the year ended 30 June 2023 and, as of that date, the Company's current liabilities exceeded its total assets by \$1,126,315. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly 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.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view 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 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 Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

Morton & Cord

Morton & Cord



Michael Lees

Partner

Nowra

11 August 2023