



Club Jervis Bay Ltd

ABN 16 001 023 132

Annual Report - 30 June 2024

Club Jervis Bay Ltd

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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 26 September 2024. The directors have the power to amend and reissue the financial statements.



CLUB JERVIS BAY 2024 PRESIDENT REPORT TO MEMBERS

Dear Members

As another financial year comes to a close, I want to extend my heartfelt gratitude to all of you for your unwavering support. It has been a challenging year, with high interest rates and rising living costs affecting not only businesses but many Australians. We recognize these challenges, and we remain committed to supporting our local community by providing over \$70,000 in donations and sponsorships to local community and sporting organisations.

Staying true to our Vision, Mission, and Values, we have carefully navigated the year to ensure the Club continues to thrive. Although we faced a loss this year, we are pleased to report growth across all departments in topline sales. We remain dedicated to managing costs effectively, allowing us to provide our members with affordable options, maintain high service standards whilst operating a successful business.

In the 2022/23 financial year, we made significant investments in our members' assets. As reported at our last AGM, we limited our capital expenditure this year to ensure that when the time is right for the redevelopment of the land currently vacant beside the Club, we can proceed in a financially responsible manner that safeguards the Club's long-term success.

Looking ahead, we are confident the coming year will allow us to build on these strong foundations. I would like to thank the Board of Directors, our CEO, Mr. John West, Cassy Jenkins and Zowie Farmilo and the dedicated team for their hard work and commitment throughout the past year.

I would like to extend a special mention to Mr Robert Roach, who is retiring from the Board of Directors this year. Bob's 33 years of loyal and dedicated service to both the Huskisson RSL and subsequently Club Jervis Bay will not be forgotten.



Gary Elliott
President



2024 TREASURERS REPORT TO MEMBERS

Total Assets	19,016,049.90
Total Liabilities	3,638,444.86
Total Equity	15,377,605.04



Income	3,720,945.75
Expenses	3,932,112.75
Net Profit	-211,167.00

Department Snapshot	Income	Expenditure	YTD June 24	YTD June 23
Bar	2,068,134.40	1,258,430.26	809,704.14	705,754.55
Gaming	21,263,844.39	19,029,466.64	2,234,377.75	2,380,256.57
Catering Bayview	3,202,776.20	2,665,193.45	537,582.75	535,683.23
Catering Café	246,363.73	121,735.46	124,628.27	83,007.76
Catering Pizza	572,842.68	450,579.57	122,263.11	117,450.07
Functions	2,741.29	30,508.35	-27,767.06	16,500.15
Keno & Tab Commission	104,201.37	61,265.35	42,936.02	-14,013.95
Social Activities	230,497.16	349,997.95	-119,500.79	-124,512.37
Reception	13,533.08	256,235.40	-242,702.32	-226,882.79
Bottle Shop	30,826.30	13,147.82	17,678.48	16,476.59
General Expenses		3,910,170.25	-3,910,170.25	-3,802,910.92
Other Income	221,745.40		221,745.40	202,690.76
Other Expenses		21,942.50	-21,942.50	-16,855.00
Total Profit/Loss	27,957,506.00	28,168,673.00	-211,167.00	-127,355.35

This year has presented a number of significant challenges across our industry. Rising living costs and elevated interest rates have placed substantial pressure on household budgets, affecting the broader economic landscape and, in turn, the performance of our Club.

Despite these external pressures, we have remained focused on enhancing our products and services while diligently seeking ways to streamline costs across all areas of operation. Our commitment to providing value to our members and guests has never been stronger.

Looking ahead, I remain optimistic about the Club's future. The Board is steadfast in its focus on reducing our debt and adapting to the evolving needs of our community.

I would like to extend my deepest thanks to all our members and guests for your continued loyalty and support. It is because of you that we are able to serve and strengthen our community.

Elizabeth Abood.
Treasurer.



CLUB JERVIS BAY 2024 CHIEF EXECUTIVE OFFICER REPORT TO MEMBERS

Dear Members,

Every year, as I sit down to write this report, I am reminded of how quickly time passes—it feels as though I was reflecting on last year's performance just yesterday. Over the past 12 months, the hospitality industry, along with many other business sectors in Australia, has faced significant challenges. We have navigated through a turbulent period marked by changes in disposable household income, substantial interest rate hikes, and rising costs of living, all of which have impacted the financial stability of the average Australian household and whilst we have reported a loss for the last financial year our growth in the 1st trading period of the 2024/25 financial year shows a return to positive numbers.

At our last Annual General Meeting, we made a commitment to our members to secure the future of our Club by ensuring its financial viability and stability. I am pleased to report that we have taken significant steps toward this goal. We have restructured our operations to better align with current business needs, resulting in a reduction of overall costs while maintaining our focus on delivering high-quality Club facilities. Despite these challenging conditions, we have experienced growth in our topline sales across all departments. Our priority now is to translate these gains into improved bottom-line results.

Looking ahead, our strategy for the next 12 months will remain largely unchanged. We will continue to focus on strengthening our cash reserves, reducing debt, and investing in the development of our people. Our commitment is to ensure that we are well-positioned to seize future opportunities while safeguarding the long-term stability and prosperity of the Club.

I want to express my heartfelt gratitude to all our members, the Board of Directors, and our dedicated staff. Your unwavering support is the foundation of our success, and I am truly grateful for your ongoing commitment.



John West
Chief Executive Officer

Club Jervis Bay Ltd
Directors' report
30 June 2024

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2024.

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

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 5 years and beyond. The KPIs are supported by action plans targeting the Clubs 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 Club during the course of the financial year consisted of the conduct and promotion of licensed RSL 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 2024

	2024 \$	2023 \$	Change \$	Change %
Net profit attributable to members	<u>(211,167)</u>	<u>(127,140)</u>	<u>(84,027)</u>	66%
Add back:				
Depreciation expense	638,714	592,388	46,326	8%
Interest expenses	<u>164,482</u>	<u>109,618</u>	<u>54,864</u>	50%
EBITDA	<u>592,029</u>	<u>574,866</u>	<u>17,163</u>	

State of affairs

The Club has felt the impacts of the current economic climate that has affected cash flow. Measures have been implemented to mitigate future effects on the Club

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 2024

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 2024, 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	12	12	3	3	1	1
Bob Roach	12	12	3	3	1	1
Elizabeth Abood	12	12	3	3	1	1
John Mendola	12	12	3	3	-	-
Marilyn Fetch	12	12	3	3	-	-
Michael Reid	12	12	3	3	-	-
Leona Curran	12	12	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 \$39,222, based on 19,611 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

26 September 2024

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 2024, 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

26 September 2024

Club Jervis Bay Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue from contracts with customers	3	9,741,264	9,584,486
Other income	4	171,622	176,482
Expenses			
Operating expenses	5	(2,129,185)	(2,389,729)
Cost of sales		(2,189,630)	(2,206,755)
Employee benefits expense		(5,002,042)	(4,589,618)
Depreciation and amortisation expense		(638,714)	(592,388)
Finance costs		<u>(164,482)</u>	<u>(109,618)</u>
Deficit before income tax expense		(211,167)	(127,140)
Income tax expense	6	<u>-</u>	<u>-</u>
Deficit after income tax expense for the year attributable to the members of Club Jervis Bay Ltd	19	(211,167)	(127,140)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of land and buildings, net of tax		<u>2,353,421</u>	<u>-</u>
Other comprehensive income for the year, net of tax		<u>2,353,421</u>	<u>-</u>
Total comprehensive income for the year attributable to the members of Club Jervis Bay Ltd		<u>2,142,254</u>	<u>(127,140)</u>

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 2024

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	7	353,616	502,613
Trade and other receivables	8	39,325	16,537
Inventories	9	144,193	136,557
Other	10	150,924	193,917
Total current assets		<u>688,058</u>	<u>849,624</u>
Non-current assets			
Property, plant and equipment	11	18,622,244	16,552,612
Intangibles	12	74,342	74,342
Other	10	6,497	15,475
Total non-current assets		<u>18,703,083</u>	<u>16,642,429</u>
Total assets		<u>19,391,141</u>	<u>17,492,053</u>
Liabilities			
Current liabilities			
Trade and other payables	13	886,500	1,058,966
Borrowings	14	493,083	416,872
Lease liabilities	15	179,664	192,660
Provisions	16	370,115	307,260
Other	17	40,712	-
Total current liabilities		<u>1,970,074</u>	<u>1,975,758</u>
Non-current liabilities			
Trade and other payables	13	-	30,402
Borrowings	14	1,898,955	1,973,567
Lease liabilities	15	100,181	219,295
Provisions	16	44,322	57,676
Total non-current liabilities		<u>2,043,458</u>	<u>2,280,940</u>
Total liabilities		<u>4,013,532</u>	<u>4,256,698</u>
Net assets		<u>15,377,609</u>	<u>13,235,355</u>
Equity			
Reserves	18	6,628,447	4,275,026
Retained surpluses	19	8,749,162	8,960,329
Total equity		<u>15,377,609</u>	<u>13,235,355</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 2024

	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/>
	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2023	4,275,026	8,960,329	13,235,355
Deficit after income tax expense for the year	-	(211,167)	(211,167)
Other comprehensive income for the year, net of tax	2,353,421	-	2,353,421
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	2,353,421	(211,167)	2,142,254
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2024	6,628,447	8,749,162	15,377,609
	<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 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		10,671,927	10,592,213
Payments to suppliers and employees (inclusive of GST)		<u>(10,693,874)</u>	<u>(9,882,241)</u>
		(21,947)	709,972
Other revenue		102,082	114,519
Interest and other finance costs paid		<u>(164,482)</u>	<u>(109,618)</u>
Net cash from/(used in) operating activities		<u>(84,347)</u>	<u>714,873</u>
Cash flows from investing activities			
Payments for property, plant and equipment	11	(359,430)	(1,406,494)
Payments for security deposits		-	(1,231)
Proceeds from disposal of property, plant and equipment		70,230	108,575
Proceeds from release of security deposits		<u>2,151</u>	<u>-</u>
Net cash used in investing activities		<u>(287,049)</u>	<u>(1,299,150)</u>
Cash flows from financing activities			
Proceeds/(repayment) of bank loans		73,326	39,210
Proceeds/(repayment) of leases		<u>(132,110)</u>	<u>111,266</u>
Net cash from/(used in) financing activities		<u>(58,784)</u>	<u>150,476</u>
Net decrease in cash and cash equivalents		(430,180)	(433,801)
Cash and cash equivalents at the beginning of the financial year		<u>502,613</u>	<u>936,414</u>
Cash and cash equivalents at the end of the financial year	7	<u>72,433</u>	<u>502,613</u>

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

Note 1. Material accounting policy information

The accounting policies that are material to the company are set out below. The accounting policies adopted are consistent with those of the previous financial year, 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.

- AASB 2021-6 Amendments to Australian Accounting Standards – Disclosures of Accounting Policies: Tier 2 and Other Australian Accounting Standards

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.

At balance date Current liabilities exceeds current assets by \$1,282,016.

We have navigated a challenging 12-month period, characterised by shifts in disposable household income, significant interest rate hikes, and rising costs of living. These external factors have undoubtedly impacted our financial performance and the Club's current cash position. However, since the balance date, we have seen improved trading performance and a reduction in expenses, leading to an enhanced cash position and a stronger bottom line over the first 10 weeks of the new financial year.

In light of the evolving business environment, we have taken decisive steps to strengthen our financial footing. These measures are improving our trading performance and managing our cash flow more effectively. They also reaffirm the support we have received from our key financial partner, the Commonwealth Bank of Australia (CBA), which has enabled us to prepare this statutory financial report on a going concern basis. The Board of Directors are confident that, as a result of these measures, the Club will continue to operate as a going concern.

The following measures have been implemented by the Club.

- Continuing to service our debt with CBA on an interest-only basis for the next 12 months, which will provide much-needed cash flow relief.
- Securing the continuation of the temporary overdraft facility with CBA for as long as required.
- Completion of the current construction loan as of 8th November 2024, which will reduce our outgoing cash payments by \$16,816 per month.
- Finalisation of the current ATO payment plan by November 2024, resulting in an additional reduction of outgoing cash payments by \$31,633 per month.
- Successfully negotiating a reduction in our insurance premiums, saving the Club approximately \$30,000 for this financial year.
- Postponing all noncritical capital works projects for a minimum of 12 months to prioritise our financial recovery.
- Implementing additional cost-saving measures across the Club.

Note 1. Material accounting policy information (continued)

The combined effect of these actions will ensure that we improve our cash flow position and recover our overall financial performance in the year ahead. We remain committed to steering the Club through this challenging period, ensuring that we emerge stronger and more resilient. Our primary focus is on securing the long-term viability of the Club, and we are confident that with the continued support of our members, staff, and financial partners, we will achieve this goal.

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 accumulated 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.

Note 1. Material accounting policy information (continued)

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.

Volume rebates

Brewery's provide the Club cash rebates if volume targets are reached. Volume rebate related income is recognised over the period in which the targets are reached.

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.

Note 1. Material accounting policy information (continued)

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.

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. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

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.

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.

Note 1. Material accounting policy information (continued)

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.

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.

Note 1. Material accounting policy information (continued)

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.

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.

Note 1. Material accounting policy information (continued)

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.

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.

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

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.

Note 3. Revenue from contracts with customers

	2024 \$	2023 \$
Poker machine net revenue	3,420,558	3,509,417
Bar sales	2,059,713	1,879,681
Catering sales	3,449,140	3,359,182
Cheesy Grin sales	572,446	630,388
Membership joining fees	11,993	-
Commission - TAB, Keno and ATM	156,228	144,517
Entertainment revenue	71,186	61,301
	<u>9,741,264</u>	<u>9,584,486</u>
Revenue from contracts with customers		

Club Jervis Bay Ltd
Notes to the financial statements
30 June 2024

Note 3. Revenue from contracts with customers (continued)

Disaggregation of revenue

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

	2024	2023
	\$	\$
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	<u>9,741,264</u>	<u>9,584,486</u>

Note 4. Other income

	2024	2023
	\$	\$
Net gain on disposal of property, plant and equipment	69,540	61,963
Subsidies - apprentices	26,622	9,091
Volume rebates	39,248	62,716
Other revenue	<u>36,212</u>	<u>42,712</u>
Other income	<u>171,622</u>	<u>176,482</u>

Note 5. Other operating expenses

	2024	2023
	\$	\$
Administration	248,694	259,067
Promotion and marketing	233,838	327,239
Light & power	198,158	176,067
Indirect bar operating expenses	36,800	30,090
Repairs and maintenance	119,849	117,564
Members benefits expenses	154,647	288,463
Insurance expenses	198,438	156,257
Indirect employment expenses	56,951	55,834
Cleaning expenses	37,307	89,628
Property rates	32,724	34,177
Banking transaction expenses	78,580	73,199
Indirect poker machine expenses	58,775	61,860
Poker machine tax	575,171	600,996
ClubGrants and donations	52,546	56,623
Security expenses	44,005	57,057
Other expenses	<u>2,702</u>	<u>5,608</u>
	<u>2,129,185</u>	<u>2,389,729</u>

Note 6. Income tax benefit

	2024	2023
	\$	\$
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Employee benefits	20,722	16,756
Accrued expenses	8,304	8,594
Plant and equipment	(305,522)	(131,731)
Carried forward tax losses	566,005	563,542
	<u>289,509</u>	<u>457,161</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.

Note 7. Cash and cash equivalents

	2024	2023
	\$	\$
<i>Current assets</i>		
Cash on hand	250,000	215,000
Cash at bank	103,616	287,613
	<u>353,616</u>	<u>502,613</u>

Reconciliation to cash and cash equivalents at the end of the financial year

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	353,616	502,613
Bank overdraft (note 14)	(281,183)	-
	<u>72,433</u>	<u>502,613</u>

Note 8. Trade and other receivables

	2024	2023
	\$	\$
<i>Current assets</i>		
Trade receivables	39,325	16,537
	<u>39,325</u>	<u>16,537</u>

Club Jervis Bay Ltd
Notes to the financial statements
30 June 2024

Note 9. Inventories

	2024	2023
	\$	\$
<i>Current assets</i>		
Stock on hand - at cost	<u>144,193</u>	<u>136,557</u>

Note 10. Other

	2024	2023
	\$	\$
<i>Current assets</i>		
Prepayments	150,924	191,766
Security deposits	<u>-</u>	<u>2,151</u>
	<u>150,924</u>	<u>193,917</u>
 <i>Non-current assets</i>		
Security deposits	5,000	5,000
Other non-current assets	<u>1,497</u>	<u>10,475</u>
	<u>6,497</u>	<u>15,475</u>
	<u>157,421</u>	<u>209,392</u>

Note 11. Property, plant and equipment

	2024 \$	2023 \$
<i>Non-current assets</i>		
Land and buildings - at independent valuation	16,625,000	14,201,348
Less: Accumulated depreciation	-	(283,355)
	<u>16,625,000</u>	<u>13,917,993</u>
Plant and equipment - at cost	1,177,609	1,390,482
Less: Accumulated depreciation	(729,849)	(686,067)
	<u>447,760</u>	<u>704,415</u>
Motor vehicles - at cost	194,227	194,227
Less: Accumulated depreciation	(61,641)	(35,670)
	<u>132,586</u>	<u>158,557</u>
Poker machines	2,146,736	2,512,573
Less: Accumulated depreciation	(1,314,471)	(1,305,674)
	<u>832,265</u>	<u>1,206,899</u>
Rights of use assets	597,104	513,086
Less: Accumulated depreciation	(106,644)	(42,511)
	<u>490,460</u>	<u>470,575</u>
Capital work in progress	94,173	94,173
	<u>18,622,244</u>	<u>16,552,612</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 2023	13,917,993	704,415	158,557	1,206,899	470,575	94,173	16,552,612
Additions	177,439	97,973	-	-	84,018	-	359,430
Disposals	-	-	(4,505)	-	-	-	(4,505)
Revaluation increments	2,353,421	-	-	-	-	-	2,353,421
Transfers in/(out)	306,853	(200,463)	-	(106,390)	-	-	-
Depreciation expense	(130,706)	(154,165)	(21,466)	(268,244)	(64,133)	-	(638,714)
Balance at 30 June 2024	<u>16,625,000</u>	<u>447,760</u>	<u>132,586</u>	<u>832,265</u>	<u>490,460</u>	<u>94,173</u>	<u>18,622,244</u>

Core Properties

- Club Jervis Bay premises, 8 Currambene St, Huskisson

Note 11. Property, plant and equipment (continued)

Valuations of land and buildings

An independent valuation by Walsh & Monaghan Pty Ltd of the company's land and buildings being 8 Currambene Street Huskisson, was carried out on 19 June 2024 on the basis of fair value in use. This resulted in a valuation of \$16,625,000. The increase in value has been charged to the asset revaluation reserve and other comprehensive income.

Note 12. Intangibles

	2024	2023
	\$	\$
<i>Non-current assets</i>		
Other intangible assets - at cost	74,342	74,342

Note 13. Trade and other payables

	2024	2023
	\$	\$
<i>Current liabilities</i>		
Trade payables	442,096	520,152
BAS payable	420,183	538,714
Other payables	24,221	100
	<u>886,500</u>	<u>1,058,966</u>
<i>Non-current liabilities</i>		
Trade payables	-	30,402
	<u>886,500</u>	<u>1,089,368</u>

Club Jervis Bay Ltd
Notes to the financial statements
30 June 2024

Note 14. Borrowings

	2024	2023
	\$	\$
<i>Current liabilities</i>		
Bank overdraft	281,183	-
Bank loans - CBA	81,086	268,094
Insurance funding	117,473	135,437
Equipment loan - CBA	13,341	13,341
	<u>493,083</u>	<u>416,872</u>
<i>Non-current liabilities</i>		
Bank loans - CBA	1,866,336	1,927,606
Equipment loan - CBA	32,619	45,961
	<u>1,898,955</u>	<u>1,973,567</u>
	<u>2,392,038</u>	<u>2,390,439</u>

Total secured liabilities

The total secured liabilities are as follows:

	2024	2023
	\$	\$
CBA BetterBusiness loan	1,947,422	2,241,661
CBA corporate charge card	10,000	30,000
CBA equipment loan	45,960	59,302
CBA overdraft	300,000	-
	<u>2,303,382</u>	<u>2,330,963</u>

Assets pledged as security

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

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

Club Jervis Bay Ltd
Notes to the financial statements
30 June 2024

Note 14. Borrowings (continued)

Financing arrangements

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

	2024	2023
	\$	\$
Total facilities		
CBA BetterBusiness Loan	1,866,336	1,927,606
CBA BetterBusiness Loan	81,086	268,094
CBA Corporate Charge Card	10,000	30,000
CBA equipment loan	59,301	59,302
CBA overdraft	300,000	-
	<u>2,316,723</u>	<u>2,285,002</u>
Used at the reporting date		
CBA BetterBusiness Loan	1,866,336	1,927,606
CBA BetterBusiness Loan	81,086	268,094
CBA Corporate Charge Card	-	-
CBA equipment loan	59,301	59,302
CBA overdraft	281,183	-
	<u>2,287,906</u>	<u>2,255,002</u>
Unused at the reporting date		
CBA BetterBusiness Loan	-	-
CBA BetterBusiness Loan	-	-
CBA Corporate Charge Card	10,000	30,000
CBA equipment loan	-	-
CBA overdraft	18,817	-
	<u>28,817</u>	<u>30,000</u>

The larger BetterBusiness Loan is an interest-only loan, in monthly instalments for a period of twelve months, when it will be renegotiated. The variable interest rate is 6.49% (2023: 5.99%).

The smaller CBA BetterBusiness Loan is a principal and interest payment loan, repayable in monthly instalments and due to mature in October 2024. The variable interest rate is 6.24% (2023: 5.99%).

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 15. Lease liabilities

	2024	2023
	\$	\$
<i>Current liabilities</i>		
Lease liability	<u>179,664</u>	<u>192,660</u>
<i>Non-current liabilities</i>		
Lease liability	<u>100,181</u>	<u>219,295</u>
	<u>279,845</u>	<u>411,955</u>
Future cash outflows from leases analysis		
<i>Future lease payments are due as follows:</i>		
Within one year	190,725	204,520
One to five years	<u>130,712</u>	<u>232,706</u>
	<u>321,437</u>	<u>437,226</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 2024 was \$6,255

	2024	2023
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	64,133	33,981
Interest expense on lease liabilities	<u>17,903</u>	<u>14,003</u>
	<u>82,036</u>	<u>47,984</u>

Club Jervis Bay Ltd
Notes to the financial statements
30 June 2024

Note 16. Provisions

	2024	2023
	\$	\$
<i>Current liabilities</i>		
Annual leave	187,787	258,277
Long service leave	68,667	19,175
Superannuation	113,661	29,808
	<u>370,115</u>	<u>307,260</u>
 <i>Non-current liabilities</i>		
Long service leave	<u>44,322</u>	<u>57,676</u>
	<u>414,437</u>	<u>364,936</u>

Note 17. Other

	2024	2023
	\$	\$
<i>Current liabilities</i>		
Accrued expenses	<u>40,712</u>	<u>-</u>

Note 18. Reserves

	2024	2023
	\$	\$
Revaluation surplus reserve	<u>6,628,447</u>	<u>4,275,026</u>

Revaluation surplus reserve

The reserve is used to recognise increments and decrements in the fair value of land and buildings, excluding investment properties.

Movements in reserves

Movements in each class of reserve during the current financial year are set out below:

	Asset revaluation reserve	Total
	\$	\$
Balance at 1 July 2023	4,275,026	4,275,026
Revaluation - gross	<u>2,353,421</u>	<u>2,353,421</u>
Balance at 30 June 2024	<u>6,628,447</u>	<u>6,628,447</u>

Club Jervis Bay Ltd
Notes to the financial statements
30 June 2024

Note 19. Retained surpluses

	2024	2023
	\$	\$
Retained surpluses at the beginning of the financial year	8,960,329	9,087,469
Deficit after income tax expense for the year	<u>(211,167)</u>	<u>(127,140)</u>
Retained surpluses at the end of the financial year	<u>8,749,162</u>	<u>8,960,329</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:

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
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:

	2024	2023
	\$	\$
Aggregate compensation	<u>647,192</u>	<u>763,939</u>

Key management personnel employee numbers 2024: 11 (2023: 12)

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:

	2024 \$	2023 \$
<i>Audit services -</i>		
Audit of the financial statements	24,000	21,600
<i>Other services -</i>		
Preparation of the tax return	2,160	2,000
Preparation of annual report	6,400	7,200
	<u>8,560</u>	<u>9,200</u>
	<u>32,560</u>	<u>30,800</u>

Note 22. Related party transactions

Parent entity

Club Jervis Bay Ltd is the parent entity.

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, two family members of the CEO, was employed as a casual bar attendants. Their positions were 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

No matter or circumstance has arisen since 30 June 2024 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 2024

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 2024 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

26 September 2024

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 2024, 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 2024 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 \$211,167 during the year ended 30 June 2024 and, as of that date, the Company's current liabilities exceeded its total assets by \$1,282,016. 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 2024, 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

26 September 2024