

**SOUTH SYDNEY GRAPHIC ARTS  
CLUB LIMITED**

**ANNUAL FINANCIAL REPORT**

**31 DECEMBER 2023**

**AUDITORS**

**D. A STRATI & ASSOCIATES PTY LTD**  
Level 5, 376 Bay Street  
Brighton Le Sands NSW 2216

**SOUTH SYDNEY GRAPHIC ARTS CLUB LIMITED**  
**A.B.N. 87 000 298 699**

**ANNUAL FINANCIAL REPORT**  
**31 DECEMBER 2023**

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**SOUTH SYDNEY GRAPHIC ARTS CLUB LIMITED**  
**A.B.N. 87 000 298 699**

**DIRECTORS' REPORT**

Your directors present their report on the company for the financial year ended 31 December 2023.

**DIRECTORS**

The directors of the company in office at any time during or since the end of the year are:

<u>Name</u>	<u>Qualifications and Experience</u>
Deborah Atkins	President Retired - School Principal Board member for 17 years
Ross Marshall	Vice President Retired - Printer Board member for 22 years
Victoria Talbot	Director Semi-Retired Teacher Board member for 8 years
Michael King	Director Painter / Decorator Board member for 7 years
Mark Blizard	Director Group Executive / Project Management Board member for 6 years
Sophie Lumsden	Director Solicitor Board Member for 2 years
Justin Wenban	Director Self Employed Appointed 1 February 2023

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

**SOUTH SYDNEY GRAPHIC ARTS CLUB LIMITED**  
**A.B.N. 87 000 298 699**

**DIRECTORS' REPORT** (continued)

**DIRECTORS' MEETINGS**

The number of directors' meetings and the number of meetings attended by each of the directors of the company during the financial year were:

<b>Director</b>	<b>Number of meetings Held *</b>	<b>Number of meetings attended</b>
Deborah Atkins	12	12
Ross Marshall	12	10
Victoria Talbot	12	12
Michael King	12	11
Mark Blizard	12	8
Sophie Lumsden	12	12
Justin Wenban	11	9

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

**COMPANY SECRETARY**

Mr Ian McMillan held the position of the Company Secretary during the year and to the date of this report. Mr McMillan was appointed company secretary on the 31 July 2000.

**PRINCIPAL ACTIVITIES**

The principal activity of the company was to provide members and their guests with amenities and facilities usually associated with that of a licensed social club.

**OPERATING RESULT FOR THE YEAR**

The operating result for the year was a loss of \$466,445 compared with a operating profit of \$19,748 for the prior year. This result was achieved after recognising \$351,329 (2022: \$426,198) for depreciation and amortisation.

**SIGNIFICANT CHANGES**

There have been no significant changes in the company's financial activity or state of affairs during the financial year.

**EVENTS SUBSEQUENT TO REPORTING PERIOD**

There were no significant events occurring after the balance date which will affect either the company's operations or results of those operations or the company's state of affairs.

**MEMBERSHIP**

The company is a company limited by guarantee and without share capital. At 31 December 2023, the number of financial members totalled 4,939 (2022: 4,828).

**SOUTH SYDNEY GRAPHIC ARTS CLUB LIMITED**  
**A.B.N. 87 000 298 699**

**DIRECTORS' REPORT** (continued)

**MEMBERS LIMITED LIABILITY**

In accordance with Constitution of the company, each member undertakes to contribute an amount not exceeding two dollars (\$2.00) in the event of the winding up of the company, while he or she is a member of the Club or within one year thereafter.

**SHORT AND LONG-TERM OBJECTIVES**

The company's short-term objectives are to:

- provide the best possible licensed club facilities to members and guests.
- maintain the current levels of membership and encourage new members.
- remain financially viable to achieve the company's objectives.

The company's long-term objectives are to:

- provide a high-quality licensed club for members and guests to use, together with a standard of facilities and services that provide a rewarding and measurable experience.
- establish an environment where members and guests can participate in social activities that foster enjoyment, friendship, and mutual respect amongst members.

**STRATEGIES**

To achieve its stated objectives, the company has adopted the following strategies:

- Maintain stringent controls over the company finances to ensure the Club remains viable. Continue to manage costs in order to maintain efficient and effective operations without compromising the quality of the services provided to members and guests.
- The Board strives to attract and retain quality management and staff with the knowledge and skills required to operate a successful social club. The Board believes attracting and retaining quality staff will assist in providing a high level of services to members and the success of the Club.
- The Board is committed to consistent standards of governance and best practice; being aware of statutory and legislative changes and to ensuring compliance at all times with these laws and regulations.

**KEY PERFORMANCE INDICATORS**

The company measures its own performance through the use of both quantitative and qualitative benchmarks. Some of the key performance indicators are:

- financial performance when compared to Board approved budgets.
- the successful implementation of business operating plans.
- completing capital expenditure works within budget and agreed timeframes.
- training and development of the key management and staff.
- timely response to all compliance matters required under relevant statutory and legislative requirements.

**SOUTH SYDNEY GRAPHIC ARTS CLUB LIMITED**  
**A.B.N. 87 000 298 699**

**DIRECTORS' REPORT (continued)**

**DIRECTORS' BENEFITS**

No director has received or become entitled to receive, during or since the end of the financial year, a benefit because of a contract made by the company with a director, firm of which a director is a member or an entity in which the director has a substantial financial interest.

**INDEMNIFICATION OF AUDITORS**

To the extent permitted by law, the company has agreed to indemnify its auditors, D.A Strati & Associates, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify D.A Strati & Associates during or since the financial year.

**INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS**

During the financial year the company has paid insurance premiums of \$4,182 in respect of directors' and officers' liability, legal expenses and insurance contracts for current and former directors and officers.

The insurance premiums relate to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

**PROCEEDINGS ON BEHALF OF THE ENTITY**

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

**AUDITORS' INDEPENDENCE DECLARATION**

The directors have received the Independence Declaration from the Auditors as required under Section 307C of the Corporations Act 2001. The declaration is attached to this report.

Signed in accordance with a resolution of the Board of Directors.

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Ms Deborah Atkins – President

19 March 2024 at Mascot

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Mr Ross Marshall – Vice President

19 March 2024 at Mascot

**SOUTH SYDNEY GRAPHIC ARTS CLUB LIMITED**  
**A.B.N 87 000 298 699**

**AUDITOR'S INDEPENDENCE DECLARATION**  
**UNDER SECTION 307C – CORPORATION ACT 2001**

As the lead auditor for the audit of the financial report of South Sydney Graphic Arts Club Limited for the financial year ended 31 December 2023, I declare that, to the best of my knowledge and belief, that there has been:

- (i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.
- (iii) No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

**D.A STRATI & ASSOCIATES**  
**Certified Practising Accountants**



Domenic Strati  
Level 5, 376 Bay Street  
Brighton Le Sands

19 March 2024

**SOUTH SYDNEY GRAPHIC ARTS CLUB LIMITED**  
**A.B.N. 87 000 298 699**

**STATEMENT OF PROFIT OR LOSS**  
**AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 \$	2022 \$
<b>Revenue</b>			
Sale of goods	2	2,733,148	2,833,819
Rendering of services	3	1,709,579	2,232,831
Other income	4	139,711	134,745
Total Revenue		<u>4,582,438</u>	<u>5,201,395</u>
<b>Expenses</b>			
Cost of sales	5	(939,318)	(1,040,222)
Depreciation and amortisation	6	(351,329)	(426,198)
Employee benefits expense	7	(2,310,564)	(2,274,030)
Finance costs	8	(73,950)	(50,215)
Marketing expenses		(71,310)	(109,013)
Members benefits		(246,020)	(286,862)
Poker machine taxes		(222,894)	(338,438)
Other expenses		(785,188)	(705,676)
Total Expenses		<u>(5,000,573)</u>	<u>(5,230,654)</u>
<b>Loss before income tax</b>		<b>(418,135)</b>	<b>(29,259)</b>
Income tax benefit (expense)	9	(48,310)	49,007
<b>Profit (Loss) for the year</b>		<b>(466,445)</b>	<b>19,748</b>
<b>Other comprehensive income</b>			
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b><u>(466,445)</u></b>	<b><u>19,748</u></b>

The accompanying notes form part of these financial statements



**SOUTH SYDNEY GRAPHIC ARTS CLUB LIMITED**  
**A.B.N. 87 000 298 699**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2023**

	Note	2023 \$	2022 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	10	79,483	75,959
Trade and other receivables	11	30,420	52,668
Inventories	12	35,377	37,021
Other current assets	13	10,027	8,368
Total Current Assets		<u>155,307</u>	<u>174,016</u>
<b>NON-CURRENT ASSETS</b>			
Intangible assets	14	1,187,000	1,187,000
Property, plant and equipment	15	24,558,479	24,866,210
Deferred tax assets	16	560,941	609,251
Other non current assets	13	5,000	5,000
Total Non-Current Assets		<u>26,311,420</u>	<u>26,667,461</u>
<b>TOTAL ASSETS</b>		<u><b>26,466,727</b></u>	<u><b>26,841,477</b></u>
<b>CURRENT LIABILITIES</b>			
Borrowings	17	447,629	306,171
Trade and other payables	18	397,384	376,317
Employee benefit liabilities	19	224,436	217,563
Other liabilities	20	26,181	25,628
Total Current Liabilities		<u>1,095,630</u>	<u>925,679</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	17	731,371	737,025
Trade and other payables	18	-	86,103
Employee benefit liabilities	19	93,754	80,253
Total Non-Current Liabilities		<u>825,125</u>	<u>903,381</u>
<b>TOTAL LIABILITIES</b>		<u><b>1,920,755</b></u>	<u><b>1,829,060</b></u>
<b>NET ASSETS</b>		<u><b>24,545,972</b></u>	<u><b>25,012,417</b></u>
<b>MEMBERS' EQUITY</b>			
Reserves	21	22,073,045	22,073,045
Retained earnings		2,472,927	2,939,372
<b>TOTAL MEMBERS' EQUITY</b>		<u><b>24,545,972</b></u>	<u><b>25,012,417</b></u>

The accompanying notes form part of these financial statements

**SOUTH SYDNEY GRAPHIC ARTS CLUB LIMITED****A.B.N. 87 000 298 699****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>Retained Earnings</b>	<b>Asset Revaluation Reserve</b>	<b>Capital Profits Reserve</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 January 2022</b>	2,919,624	21,599,196	473,849	24,992,669
Profit for the year	19,748	-	-	19,748
<b>Balance at 31 December 2022</b>	<u>2,939,372</u>	<u>21,599,196</u>	<u>473,849</u>	<u>25,012,417</u>
Loss for the year	(466,445)	-	-	(466,445)
<b>Balance at 31 December 2023</b>	<u><u>2,472,927</u></u>	<u><u>21,599,196</u></u>	<u><u>473,849</u></u>	<u><u>24,545,972</u></u>

The accompanying notes form part of these financial statements

**SOUTH SYDNEY GRAPHIC ARTS CLUB LIMITED**  
**A.B.N. 87 000 298 699**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 \$	2022 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		5,065,155	5,822,352
Payments to suppliers and employees		<u>(5,153,837)</u>	<u>(5,384,937)</u>
Net cash (used in) /generated by operating activities	22(a)	<u>(88,682)</u>	<u>437,415</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant & equipment		<u>(43,598)</u>	<u>(216,583)</u>
Net cash (used in) /generated by investing activities		<u>(43,598)</u>	<u>(216,583)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		<u>(5,654)</u>	<u>(162,975)</u>
Net cash (used in) /provided by financing activities		<u>(5,654)</u>	<u>(162,975)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR</b>			
		(137,934)	57,857
Cash and cash equivalents at the beginning of the year		(230,212)	(288,069)
<b>CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL YEAR</b>	22(b)	<u><u>(368,146)</u></u>	<u><u>(230,212)</u></u>

The accompanying notes form part of these financial statements

**SOUTH SYDNEY GRAPHIC ARTS CLUB LIMITED**  
**A.B.N. 87 000 298 699**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**Corporate Information**

The financial statements of South Sydney Graphic Arts Club Limited for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 19 March 2024.

South Sydney Graphic Arts Club Limited is a company limited by guarantee, incorporated and domiciled in Australia. The address of the registered office is 182 Coward Street, Mascot NSW 2020.

The nature of operations and principal activities of the club are that of a licensed social club.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation**

The financial statements are general purpose financial statements that have been:

- Prepared in accordance with the requirements the Corporations Act 2001, Australian Accounting Standards – Simplified Disclosures and other authoritative pronouncements of the Australian Accounting Standards Board, as appropriate for not-for-profit entities.
- Prepared on an accruals basis and are based on historical cost and do not consider the changing values of money, except for financial assets and financial liabilities which are measured at fair value.
- Presented in Australian dollars (\$) and have been rounded to the nearest dollar.

**Accounting Policies**

**a) Going Concern**

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

In arriving at this position, the directors believe that the Company will continue as a going concern and meet its debts and commitments as and when they fall due and fund its ongoing operations for a period of not that less than 12 months from the date of approval of the financial statements.

**b) Revenue and Other Income**

Revenue is recognised at the fair value of consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised:

***Sale of Goods***

Revenue from functions, catering, beverages, and merchandise is recognised when the significant risks and rewards of ownership have passed to the buyer and can be reliably measured. Risks and rewards are considered passed to the buyer when goods have been delivered to the customer.

***Rendering of Services***

Revenue from rendering services comprises revenue earned from the provision of gaming facilities together with other services to members and other patrons. Revenue is recognised when the service is provided.

***Interest Revenue***

Interest revenue is recognised as interest accrues considering the interest rates and effective yield on the financial asset.

**SOUTH SYDNEY GRAPHIC ARTS CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***Commissions, Member Fees, and Subscriptions***

Commissions, member fees and subscriptions are recognised as revenue over the period to which they relate.

***Rental Income***

Rental Income is accounted for on a straight-line basis over the term of the lease.

***Sale of Property, Plant and Equipment***

The gain or loss on disposal of property, plant and equipment is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs) and is recognised as other income at the date control of the asset passes to the buyer.

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

**c) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

**d) Trade and Other Receivables**

Trade and other receivables include amounts due from members as well as amounts receivable from customers for goods and services. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

**e) Inventories**

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

**f) Property Plant and Equipment**

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

***Freehold property***

Freehold land and buildings are shown at their fair value based on periodic valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

**SOUTH SYDNEY GRAPHIC ARTS CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***Property Plant and Equipment (continued)***

Increases in the carrying amount arising on revaluation of land and buildings are recognised in Statement of Changes in Equity and accumulated in the Asset Revaluation Reserve. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in the Statement of Changes of Equity and will decrease the Asset Revaluation Reserve.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

***Core property***

Section 41J of the Registered Clubs Act requires the annual report to specify the core property and non-core property of the Club as at the end of the financial year to which the report relates.

Core property is any real property owned or occupied by the Club that comprises:

- i. the defined premises of the Club; or
- ii. any facility provided by the Club for use of its members and their guests; or
- iii. any other property declared by a resolution passed by a majority of the members present at a general meeting of Ordinary members of the Club to be core property of the Club

but does not include any property referred to in paragraphs (i)-(iii) that is declared, by a resolution passed by a majority of the members present at a general meeting of the ordinary members of the club, not to be core property of the club.

There are restrictions on the Club's ability to dispose of core property. For example, core property can only be sold if the disposal has been approved at a general meeting of the ordinary members of the Club at which the majority of the votes cast support the approval.

Non-core property is any other property other than that referred to above as core property and any property which is declared by the members at a general meeting of ordinary members of the Club not to be core property.

***Plant and equipment***

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit and loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(h) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period which they are incurred.

Plant and equipment that have been contributed at no cost or for a nominal cost are recognised at the fair value of the asset at the date it is acquired.

**SOUTH SYDNEY GRAPHIC ARTS CLUB LIMITED**  
**A.B.N. 87 000 298 699**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***Property Plant and Equipment (continued)***

***Depreciation***

Property, plant and equipment are depreciated over their useful lives commencing from the time the asset is held ready for use. Buildings are depreciated using the straight-line method whereas plant and equipment is depreciated using the diminishing value method. Land is not depreciated.

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

<u>Class of Fixed Assets</u>	<u>Rates</u>
Buildings and Related Improvements	2% - 20%
Plant, Equipment and Furniture	3% - 40%
Poker Machines and Related Equipment	30% - 40%

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

**g) Intangibles**

***Poker Machine Entitlements***

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

***Licence to Occupy Holiday Unit (Fingal Bay)***

The amount represents the cost incurred in acquiring the licence of a holiday unit in Fingal Bay. This licence held by the club is considered to be an intangible asset with an indefinite life. As a result, the licence is not subject to amortisation. Instead, the licence is tested for impairment annually and is carried at cost less accumulated impairment losses.

***Other Intangibles***

Other intangibles are deemed to have a finite useful life and are amortised over their useful lives commencing from the time the asset is held and ready for use.

**h) Impairment of Assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation 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 assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets' fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

**SOUTH SYDNEY GRAPHIC ARTS CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**i) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use.

All other borrowing costs are recognised in the income statement over the period of the borrowings to which they relate.

**j) Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees at balance date. Employee benefits that are expected to be settled within 1 year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the company to employee superannuation funds and are charged as expenses when incurred.

**k) Provisions**

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

**l) Leases**

Leases of assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Capitalised Leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

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



**SOUTH SYDNEY GRAPHIC ARTS CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**m) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

***Recognition and Measurement***

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Subsequent to initial recognition these instruments are measured as set out below.

***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

***Held-to-maturity investments***

These investments have fixed maturities, and it is the company's intention to hold these investments to maturity. Any held-to-maturity investments held by the company are stated at amortised cost using the effective interest rate method.

***Financial liabilities***

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

***Fair value***

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

***Impairment***

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the income statement.

**n) Goods and Services Tax (GST)**

Revenue, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the balance sheet are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the Statement of Financial Position.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**SOUTH SYDNEY GRAPHIC ARTS CLUB LIMITED**  
**A.B.N. 87 000 298 699**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**o) Income Tax**

The company is assessable for income tax on the surplus of trading with persons other than members and on investment income. Receipts from members themselves, however, are not subject to income tax being in accordance with the principle of mutuality.

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 for permanent differences, changes in deferred tax assets and liabilities attributed to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised, or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in the income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

**p) Critical Accounting Estimates and Judgements**

The preparation of the financial statements require management to make estimates and judgements that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities. Actual results may differ from these estimates.

Uncertainty about these estimates and judgements could result in outcomes that require a material adjustment to the carrying amount of assets and liabilities affected in future periods.

***Estimates and Judgements***

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Management based its estimates and judgements on historical results and the best available current information. Estimates and judgements assume a reasonable expectation of future events and are based on current trends and economic data, from internal and external sources.

***Estimation of useful life of assets***

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

**SOUTH SYDNEY GRAPHIC ARTS CLUB LIMITED**  
**A.B.N. 87 000 298 699**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Critical Accounting Estimates and Judgements (continued)*

***Impairment of non-financial assets***

An impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset.

***Assessment of impairment and remaining useful lives of property, plant, and equipment***

The Directors have considered whether any indicators of impairment exist which would require the performance of an impairment review in respect of the property, plant and equipment owned by the Club. In addition, management has considered whether the useful lives of any such assets should be revised as a result of any anticipated development. Management has determined that as at the year-end date no such indicators exist.

**q) New Revised Standards Effective for these Financial Statements**

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

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

**r) Comparative Figures**

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

**SOUTH SYDNEY GRAPHIC ARTS CLUB LIMITED**  
**A.B.N. 87 000 298 699**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 2: SALE OF GOODS</b>		
Bar sales	1,286,655	1,332,392
Catering sales	<u>1,446,493</u>	<u>1,501,427</u>
	<u>2,733,148</u>	<u>2,833,819</u>
<b>NOTE 3: RENDERING OF SERVICES</b>		
Gaming revenue	<u>1,709,579</u>	<u>2,232,831</u>
<b>NOTE 4: OTHER INCOME</b>		
Boardroom hire	71,022	68,834
Commissions received	15,580	22,158
Government rebates	17,180	17,180
Members subscriptions	27,443	26,573
Insurance recoveries	<u>8,486</u>	<u>-</u>
	<u>139,711</u>	<u>134,745</u>
<b>NOTE 5: COST OF SALES</b>		
Bar cost of sales	418,848	488,930
Catering cost of of sales	<u>520,470</u>	<u>551,292</u>
	<u>939,318</u>	<u>1,040,222</u>
<b>NOTE 6: DEPRECIATION AND AMORTISATION</b>		
Buildings and property improvements	97,143	98,785
Plant, equipment and furniture	108,505	112,887
Poker machines and related equipment	145,681	205,035
Loss on disposal of plant and equipment	<u>-</u>	<u>9,491</u>
	<u>351,329</u>	<u>426,198</u>
<b>NOTE 7: EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages	1,874,285	1,875,407
Superannuation	246,520	229,646
Staff meals	50,483	55,879
Insurance	46,599	37,189
Payroll tax	56,915	29,910
Other employee expenses	<u>35,762</u>	<u>45,999</u>
	<u>2,310,564</u>	<u>2,274,030</u>
<b>NOTE 8: FINANCE COSTS</b>		
Interest on bank overdraft	32,455	15,642
Interest on secured bank loan	<u>41,495</u>	<u>34,573</u>
	<u>73,950</u>	<u>50,215</u>

**SOUTH SYDNEY GRAPHIC ARTS CLUB LIMITED**  
**A.B.N. 87 000 298 699**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 9: INCOME TAX</b>		
The amount set aside for income tax in the statement of comprehensive income has been calculated as follows:		
Portion of income attributable to non members	352,441	401,454
Less: Portion of expenses attributable to non members	<u>(349,130)</u>	<u>(365,130)</u>
	3,311	36,324
Add: Other assessable income	149,480	156,647
Less: Other deductible expenses	<u>(364,047)</u>	<u>(359,300)</u>
Income (loss) subject to tax	<u>(211,256)</u>	<u>(166,329)</u>
Prima facie tax benefit	52,814	49,899
Tax effect of timing differences	(876)	(892)
Decrease in deffered tax asset	<u>(100,248)</u>	<u>-</u>
Income tax benefit (expense)	<u>(48,310)</u>	<u>49,007</u>
<b>NOTE 10: CASH AND CASH EQUIVALENTS</b>		
Cash on hand	74,250	74,250
Cash at bank (tab)	5,218	1,654
Cash at bank (sundry)	15	55
	<u>79,483</u>	<u>75,959</u>
<b>NOTE 11: TRADE AND OTHER RECEIVABLES</b>		
Trade receivables	1,392	431
Other receivables	<u>29,029</u>	<u>52,237</u>
	<u>30,420</u>	<u>52,668</u>
<b>NOTE 12: INVENTORIES</b>		
Bar and liquor at cost	29,395	30,994
Food at cost	<u>5,982</u>	<u>6,027</u>
	<u>35,377</u>	<u>37,021</u>
<b>NOTE 13: OTHER ASSETS</b>		
<u>Current</u>		
Prepayments	<u>10,027</u>	<u>8,368</u>
<u>Non-Current</u>		
Security deposit	<u>5,000</u>	<u>5,000</u>

**SOUTH SYDNEY GRAPHIC ARTS CLUB LIMITED**  
**A.B.N. 87 000 298 699**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 14: INTANGIBLE ASSETS</b>		
Licence to occupy Fingal Bay unit - at cost	62,000	62,000
Poker machine licences - at directors valuation	1,125,000	1,125,000
	<u>1,187,000</u>	<u>1,187,000</u>
<b>NOTE 15: PROPERTY, PLANT AND EQUIPMENT</b>		
Club Land - at independent valuation	<u>20,400,000</u>	<u>20,400,000</u>
Buildings - at independent valuation	3,905,153	3,905,153
Less accumulated depreciation	<u>(518,903)</u>	<u>(421,759)</u>
	<u>3,386,251</u>	<u>3,483,394</u>
Plant, equipment and furniture - at cost	1,527,754	1,484,156
Less accumulated depreciation	<u>(1,090,384)</u>	<u>(981,880)</u>
	<u>437,370</u>	<u>502,277</u>
Poker machines and equipment - at cost	1,755,062	1,755,062
Less accumulated depreciation	<u>(1,420,204)</u>	<u>(1,274,523)</u>
	<u>334,858</u>	<u>480,539</u>
Total property, plant and equipment	<u>24,558,479</u>	<u>24,866,210</u>

Pursuant to Section 41J of the Registered Clubs Amendment Act 2006, the land and buildings situated at 182 Coward Street Mascot NSW, are classified as core property of the Club for the financial year ended 31 December 2023.

**SOUTH SYDNEY GRAPHIC ARTS CLUB LIMITED**  
**A.B.N. 87 000 298 699**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	\$	\$
<b>NOTE 15: PROPERTY, PLANT AND EQUIPMENT (continued)</b>		
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are set out below:		
<u>Land</u>		
Carrying amount at the beginning of year	20,400,000	20,400,000
Revaluation	-	-
Carrying amount at end of year	<u>20,400,000</u>	<u>20,400,000</u>
<u>Buildings</u>		
Carrying amount at the beginning of year	3,483,394	3,533,823
Additions	-	48,356
Depreciation	<u>(97,143)</u>	<u>(98,785)</u>
Carrying amount at end of year	<u>3,386,251</u>	<u>3,483,394</u>
<u>Plant, equipment and furniture</u>		
Carrying amount at the beginning of year	502,277	534,428
Additions	43,598	90,227
Disposals	-	(9,491)
Depreciation	<u>(108,505)</u>	<u>(112,887)</u>
Carrying amount at end of year	<u>437,370</u>	<u>502,277</u>
<u>Poker machines and equipment</u>		
Carrying amount at the beginning of year	480,539	607,574
Additions	-	78,000
Depreciation	<u>(145,681)</u>	<u>(205,035)</u>
Carrying amount at end of year	<u>334,859</u>	<u>480,539</u>
<u>Total</u>		
Balance at the beginning of the year	24,866,210	25,075,824
Additions	43,598	216,583
Disposals	-	(9,491)
Depreciation	<u>(351,329)</u>	<u>(416,707)</u>
Carrying amount at the end of the year	<u>24,558,479</u>	<u>24,866,210</u>

**SOUTH SYDNEY GRAPHIC ARTS CLUB LIMITED**  
**A.B.N. 87 000 298 699**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 16: DEFERRED TAX ASSETS</b>		
Opening balance	609,251	560,244
Income tax benefit (expense)	(48,310)	49,007
Closing balance	<u>560,941</u>	<u>609,251</u>
Recognised in comprehensive income		
- Provisions	6,887	7,763
- Tax losses	554,054	601,488
	<u>560,941</u>	<u>609,251</u>
<b>NOTE 17: BORROWINGS</b>		
<u>Current</u>		
Bank overdraft (trading)	<u>(447,629)</u>	<u>(306,171)</u>
<u>Non-Current</u>		
Secured bank loan	<u>731,371</u>	<u>737,025</u>
<b>NOTE 18: TRADE AND OTHER PAYABLES</b>		
<u>Current</u>		
Trade payables	71,468	29,891
Accrued expenses	96,887	102,629
Equipment payable	86,103	133,792
Fringe benefits tax	5,726	22,316
Goods and services tax	58,575	39,858
Members subscriptions in advance	10,638	5,063
PAYG withholding tax	67,987	42,768
	<u>397,384</u>	<u>376,317</u>
<u>Non-Current</u>		
Equipment payable	<u>-</u>	<u>86,103</u>
<b>NOTE 19: EMPLOYEE BENEFIT LIABILITIES</b>		
<u>Current</u>		
Annual leave	166,081	149,004
Sick leave	58,355	68,559
	<u>224,436</u>	<u>217,563</u>
<u>Non-Current</u>		
Long service leave	<u>93,754</u>	<u>80,253</u>
<b>NOTE 20: OTHER LIABILITIES</b>		
Poker machine linked jackpot provision	<u>26,181</u>	<u>25,628</u>



**SOUTH SYDNEY GRAPHIC ARTS CLUB LIMITED**  
**A.B.N. 87 000 298 699**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 21: RESERVES</b>		
Asset Revaluation Reserve	21,599,196	21,599,196
Capital Profits Reserve	473,849	473,849
	<u>22,073,045</u>	<u>22,073,045</u>
a. The asset revaluation reserve records the revaluation of non current assets.		
b. The capital profits reserve represents the after tax capital profits on sale of non current assets.		
<b>NOTE 22: CASH FLOW INFORMATION</b>		
22 (a) Reconciliation of cash flows from operating activities with Statement of Profit or Loss:		
Profit (Loss) for the year	(466,445)	19,748
Non-cash flows in profit (loss)		
Depreciation and amortisation	351,329	416,707
Disposal of plant and equipment	-	9,491
Changes in assets and liabilities:		
Decrease (increase) in receivables	22,248	91,652
Decrease (increase) in inventories	1,644	(2,321)
Decrease (increase) in other assets	(1,659)	(702)
Decrease (increase) in deferred tax assets	48,310	(49,007)
Increase (decrease) in payables	(65,036)	(51,070)
Increase (decrease) in employee benefits	20,374	(2,347)
Increase (decrease) in other liabilities	553	5,264
Net cash provided by (used in) operating activities	<u>(88,682)</u>	<u>437,415</u>
22 (b) Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position (note 10).	<u>(368,146)</u>	<u>(230,212)</u>

**SOUTH SYDNEY GRAPHIC ARTS CLUB LIMITED**  
**A.B.N. 87 000 298 699**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**2023**                      **2022**  
**\$**                              **\$**

**NOTE 23: TRANSACTIONS WITH RELATED PARTIES**

Directors

The name of each person holding the position of director of the company during the financial year is listed in the Directors Report.

Transactions with directors and/or director related entities are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

No director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

Directors positions are honorary. The directors receive no remuneration or retirement benefits from the company, with the exception of the following honorariums paid.

Directors' honorariums	<u>43,496</u>	<u>39,784</u>
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Key Management Personnel

The following persons were key management personnel of the company during the financial year:

- Ian McMillan - chief executive officer
- James McKenzie - operations manager

Remuneration of key management personnel	<u>547,690</u>	<u>536,076</u>
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**NOTE 24: AUDITOR'S REMUNERATION**

Remuneration of the auditor for:

Audit of the financial report	23,500	22,400
Other services	<u>9,855</u>	<u>7,320</u>
	<u>33,355</u>	<u>29,720</u>

**SOUTH SYDNEY GRAPHIC ARTS CLUB LIMITED**  
**A.B.N. 87 000 298 699**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**NOTE 25: POKER MACHINE ENTITLEMENTS**

The company acknowledges that Poker Machine Entitlements have a value. The value of these entitlements is the market value determined by the trading of such entitlements. The current market value is estimated by the directors to be \$25,000 for each entitlement. The club currently holds forty five (45) poker machine entitlements.

**NOTE 26: EVENTS SUBSEQUENT TO REPORTING DATE**

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company as at 31 December 2023.

**NOTE 27: MEMBERS GUARANTEE**

The company is limited by guarantee. If the company is wound up, the Articles of Association state that each member is required to contribute a maximum of \$2 each towards meeting the outstanding obligations of the company. At 31 December 2023 the number of financial members totalled 4,939 (2022: 4,828).

**NOTE 28: COMPANY DETAILS**

The registered office and principle place of business is:  
182 Coward Street  
MASCOT NSW 2020

**SOUTH SYDNEY GRAPHIC ARTS CLUB LIMITED**  
**A.B.N 87 000 298 699**

**DIRECTORS' DECLARATION**

The directors of South Sydney Graphic Arts Club Limited declare that:

1. The financial statements, comprising the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and accompanying notes, are in accordance with the Corporations Act 2001 and:
  - (a) comply with Australian Accounting Standards – Simplified Disclosures (including Australian Accounting Interpretations) and the Corporations Regulations 2001 and other professional reporting requirements; and
  - (b) give a true and fair view of the company's financial position as at 31 December 2023 and of its performance, for the financial year ended on that date;
2. At the date of this declaration, in the opinion of the directors, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

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Ms Deborah Atkins – President

19 March 2024 at Mascot

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Mr Ross Marshall – Vice President

19 March 2024 at Mascot

**SOUTH SYDNEY GRAPHIC ARTS CLUB LIMITED**  
**A.B.N. 87 000 298 699**

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF SOUTH SYDNEY GRAPHIC ARTS CLUB LIMITED**

***Auditor's Opinion***

We have audited the accompanying financial report of South Sydney Graphic Arts Club Limited, which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the financial report of South Sydney Graphic Arts Club Limited is in accordance with the Corporations Act 2001, including:

- (i). Giving a true and fair view of the company's financial position as at 31 December 2023 and of its financial performance for the year ended on that date; and
- (ii). Complying with Australian Accounting Standards – Simplified Disclosures and the Corporations Regulations 2001.

***Basis for Opinion***

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

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

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

***Other Information***

The directors are responsible for other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2023 excluding 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 from the audit or otherwise appears to be materially misstated.

***Other Information (Continued)***

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

***Directors' responsibilities 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 ability of the Company 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.

**D.A STRATI & ASSOCIATES**

Certified Practising Accountants

A handwritten signature in black ink, appearing to read 'D. Strati', enclosed within a large, loopy oval shape.

Domenic Strati  
Brighton Le Sands  
19 March 2024