

Strathfield Recreation Club

ABN: 67 000 001 178

Financial Statements

For the Year Ended 30 September 2024

Strathfield Recreation Club

ABN: 67 000 001 178

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For the Year Ended 30 September 2024

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Strathfield Recreation Club

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Directors' Report 30 September 2024

The directors present their report on Strathfield Recreation Club (the Club) for the financial year ended 30 September 2024.

1. General information

Directors

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

Names

KING, Graham

BOW, Robert

PADD, Mark

TAMANG, Mrigesh

YOGANATHAN, Nirupan

MURRAY, Allan

PARK, Esther

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

Principal activities

The principal activity of Strathfield Recreation Club during the financial year was to provide members and their guests with the amenities and facilities enabling them to enjoy tennis, futsal and indoor social and recreational activities.

The following significant changes in the nature of the principal activity occurred during the financial year:

- to replace and repair surfaces and drainage to courts 4 and 5.
- to open up, develop and strengthen the membership to be a more diversified mix with wider access to services within the club.
- to expand membership numbers and support staff in their workplace.
- To reduce all existing loans to zero and build capital to facilitate future construction of new facilities.
- the continue staff and director training and compliance education.
- the improve the standard of tennis and promote the sport to as a great a diversified community as is possible.
- the lodge the Development Application to Burwood Council for the construction of new tennis, futsal and parking facilities and follow the submission through to approval.

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Directors' Report 30 September 2024

1. General information (cont'd)

Short term objectives

- to promote tennis as a lifelong sport both within the club and to the community in general.
- to maintain the clubs highly successful financial position and build capital.
- to maintain the clubs facilities and grounds to its current high quality.
- to promote the concept of a wider more inclusive and diver membership.

Long term objectives

Over the next five years the Board plans to:

- Continue to operate successfully keeping abreast of changing economic, social and legislative conditions as we fully repay our present bank loan;
- Further develop and detail to members a five to ten year strategic plan setting out long term opportunities and goals;
- Strive to increase female tennis membership and board participation; and
- Introduce subsidised coaching arrangements for members to improve the standard of tennis at the Club.

Strategy for achieving the objectives

To achieve these objectives, the Club has adopted the following strategies:

- Keep abreast of all issues that affect trading conditions, review selected new opportunities and seek ways to maximise use of the clubs facilities;
- Present to members a 5 year strategic plan for their consideration and approval that will guide future investments and development opportunities;
- Improve and maintain all facilities to meet the needs of members as we continue to grow;
- Capturing the club's rich tennis heritage and we will enhance awareness and our tennis credentials by trailing co-hosted sanctioned tennis events;
- Execute new member coaching strategies aiming particularly to increase female tennis membership and successful Badge participation;
- Train and develop staff and Board members to meet future needs and operating demands; and
- Adoption of state of the art business software to stay at the forefront of club administration which includes integrated systems such as membership, boom gates and rewards points.
- Continue to improve communication with between administration, the Board of directors and members.

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Directors' Report

30 September 2024

1. General information (cont'd)

Information on Directors

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

KING, Graham

Qualification B.Engineering (USYD), Dip Power Engineering (USYD), Dip Business, Cert IV Res Building Construction

BOW, Robert

Qualification B.Build (QS), B.Sc(Arch), B.Arch (hons), [UNSW], A.R.A.I.A
Special responsibilities Club President

PADD, Mark

Qualification B.Pharmacy

TAMANG, Mrigesh

Qualification Masters of Geotechnical Engineering (MEng), Bachelor of Engineering (BEng), Member of Australian Institute of Engineers (MIEAUST)

Special responsibilities Vice President

YOGANATHAN, Nirupan

Qualification B. Commerce, B. Science, Masters of Economics (Usyd)

Special responsibilities Tennis Committee

MURRAY, Allan

Qualification B. Medical Science (MQ), B.Science - Psychology (Usyd) Dip. Project Management, Cert. Change Manager, PhD - Reducing Carbon and Waste from Infrastructure Construction (in Progress)

PARK, Esther

Qualifications B. Nursing (Usyd), Class 2 Agent License

Special responsibilities Vice President, Tennis Committee

Members' guarantee

Strathfield Recreation Club is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$6, subject to the provisions of the company's constitution.

At 30 September 2024 the collective liability of members was \$63,192 (2023: \$106,680).

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Directors' Report

30 September 2024

2. Other items

Future developments and results

Likely developments in the operations of the Club and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Club.

Meetings of directors

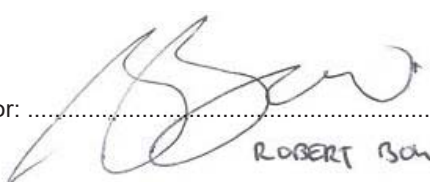
During the financial year, 11 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follow:

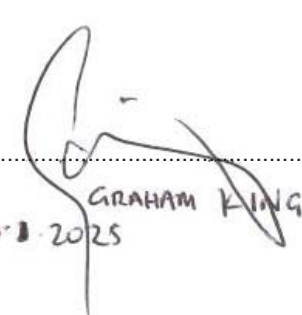
Directors' Meetings		
	Number eligible to attend	Number attended
KING, Graham	11	9
BOW, Robert	11	10
PADD, Mark	11	11
TAMANG, Mrigesh	11	11
YOGANATHAN, Nirupan	11	11
MURRAY, Allan	11	7
PARK, Esther	11	8

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 September 2024 has been received and can be found on page 5 of the financial report.

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

Director: 
ROBERT BOW
Dated: 20.1.2025

Director: 
GRAHAM KING
20.1.2025



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Auditor's Independence Declaration under section 307C of the Corporations Act 2001 to the Directors of Strathfield Recreation Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 September 2024, there have been:

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

A handwritten signature in black ink that reads 'PKF'.

PKF

A handwritten signature in black ink, appearing to be 'Kym Reilly'.

KYM REILLY
PARTNER

20 JANUARY 2025
SYDNEY, NSW

Strathfield Recreation Club

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 September 2024

	Note	2024 \$	2023 \$
Revenue			
Revenue	4	10,640,358	9,140,037
Finance income		21,906	8,760
Expenses			
Cost of sales		(1,121,005)	(1,131,605)
Poker machine duty		(1,481,013)	(1,122,906)
Employee benefits expense	5	(2,193,692)	(2,004,585)
Depreciation and amortisation expense	5	(972,946)	(942,379)
Other operating expenses	5	(2,221,283)	(2,019,243)
Finance costs		(4,776)	(27,446)
Profit before income tax		2,667,549	1,900,633
Income tax expense	2(i)	-	-
Profit for the year		2,667,549	1,900,633
Other comprehensive income, net of income tax			
Revaluation increase	8	-	2,300,000
Other comprehensive income		-	2,300,000
Total comprehensive income for the year		2,667,549	4,200,633

The accompanying notes form part of these financial statements.

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Statement of Financial Position As At 30 September 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,309,794	1,051,531
Trade and other receivables		102,786	89,541
Inventories		61,096	82,448
Financial assets	7	3,000,000	-
Other assets		138,156	130,211
TOTAL CURRENT ASSETS		4,611,832	1,353,731
NON-CURRENT ASSETS			
Property, plant and equipment	8	43,601,249	43,924,382
Intangible assets	9	1,039,863	1,039,863
Right of use assets		50,564	136,280
TOTAL NON-CURRENT ASSETS		44,691,676	45,100,525
TOTAL ASSETS		49,303,508	46,454,256
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	686,271	446,573
Lease liability		45,932	90,188
Employee benefits	11	167,283	195,119
Other liabilities	12	129,463	111,142
TOTAL CURRENT LIABILITIES		1,028,949	843,022
NON-CURRENT LIABILITIES			
Lease liability		7,072	53,004
Employee benefits	11	41,708	-
TOTAL NON-CURRENT LIABILITIES		48,780	53,004
TOTAL LIABILITIES		1,077,729	896,026
NET ASSETS		48,225,779	45,558,230
EQUITY			
Reserves	13	32,602,689	32,602,689
Retained earnings		15,623,090	12,955,541
TOTAL EQUITY		48,225,779	45,558,230

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 30 September 2024

	Retained Earnings	Reserves	Total
	\$	\$	\$
Balance at 1 October 2023	12,955,541	32,602,689	45,558,230
Profit for the year	2,667,549	-	2,667,549
Balance at 30 September 2024	15,623,090	32,602,689	48,225,779
Balance at 1 October 2022	11,054,908	30,302,689	41,357,597
Profit for the year	1,900,633	-	1,900,633
Revaluation increment	-	2,300,000	2,300,000
Balance at 30 September 2023	12,955,541	32,602,689	45,558,230

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 September 2024

	2024	2023
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	11,691,149	9,451,880
Payments to suppliers and employees	(7,795,731)	(6,578,018)
Grants and subsidies received	-	6,000
Interest received	21,906	8,760
Finance costs	(4,776)	(17,232)
Net cash provided by operating activities	<u>3,912,548</u>	<u>2,871,390</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment (net)	(564,097)	(674,743)
Purchase of financial assets	(3,000,000)	-
Capitalised expenditure for redevelopment	-	(252,525)
Acquisition of intangible assets	-	(310,813)
Net cash used in investing activities	<u>(3,564,097)</u>	<u>(1,238,081)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	-	(1,500,000)
Payment of lease liabilities	(90,188)	(122,898)
Net cash used in financing activities	<u>(90,188)</u>	<u>(1,622,898)</u>
Net increase in cash and cash equivalents held	258,263	10,411
Cash and cash equivalents at beginning of year	<u>1,051,531</u>	<u>1,041,120</u>
Cash and cash equivalents at end of financial year	6 <u>1,309,794</u>	<u>1,051,531</u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Year Ended 30 September 2024

The financial report covers Strathfield Recreation Club as an individual entity. Strathfield Recreation Club is a not-for-profit proprietary Club, incorporated and domiciled in Australia.

The functional and presentation currency of Strathfield Recreation Club is Australian dollars.

The financial report was authorised for issue by the Directors on .

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Material accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Material Accounting Policy Information

(a) Revenue and other income

The revenue recognition policies for the principal revenue streams of the Club are:

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time where the performance obligations have been met and transfer of control have been completed. Revenue is recognised net of any discounts given to members/patrons.

Provision of services

Revenue from rendering of services comprises revenue from memberships, together with other services to members and other patrons of the Club and is recognised when the services are provided.

Revenue from the provision of membership subscriptions is recognised on a straight-line basis over the financial year.

Gaming machine revenue is recognised on an accrual basis, calculated as net of gaming machine collections and payout's, less any costs associated with future jackpot contributions.

Government grants

Government grants are recognised where there is reasonable certainty that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

Interest revenue

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

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Notes to the Financial Statements For the Year Ended 30 September 2024

2 Material Accounting Policy Information (cont'd)

(a) Revenue and other income (cont'd)

Rental income

Rental income from sub-leases is recognised on a straight line basis over the term of the lease.

Other income

Other income is recognised on an accruals basis when the Club is entitled to it.

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

(b) Property, plant and equipment

Classes of property, plant and equipment are measured using the cost or revaluation model as specified below.

Plant and equipment and buildings are measured using the cost model and land is measured using the revaluation model.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Fair value

Land is currently held at fair value using the revaluation model.

Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a straight-line method from the date that management determine that the asset is available for use. Land is not depreciated.

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

Fixed asset class	Depreciation rate
Buildings	1% - 20%
Plant and Equipment	2.5% - 50%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Future capital improvements is capitalised within property, plant and equipment and capital works in progress. When development is completed, the asset will be transferred to plant and equipment. No depreciation is charged during the development phase.

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Notes to the Financial Statements

For the Year Ended 30 September 2024

2 Material Accounting Policy Information (cont'd)

(c) Intangible assets

Poker machine entitlements

Poker machine entitlements are initially recorded at cost. Poker machine entitlements have an indefinite life and are tested annually for impairment and carried at cost less any accumulated amortisation and impairment losses.

(d) Financial instruments

Financial instruments are recognised initially on the date that the Club becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Club classifies its financial assets into the following categories, those measured at:

- amortised cost

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Club's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

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Notes to the Financial Statements For the Year Ended 30 September 2024

2 Material Accounting Policy Information (cont'd)

(d) Financial instruments (cont'd)

Financial assets (cont'd)

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Club considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Club's historical experience and informed credit assessment and including forward looking information.

The Club uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Club uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Club in full, without recourse to the Club to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Club in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Financial liabilities

The Club's financial liabilities comprise trade and other payables, which are measured at amortised cost using the effective interest rate method.

(e) Impairment of non-financial assets

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

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

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Notes to the Financial Statements For the Year Ended 30 September 2024

2 Material Accounting Policy Information (cont'd)

(e) Impairment of non-financial assets (cont'd)

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss. Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(f) Employee benefits

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

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

(g) 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 short-term borrowings in current liabilities on the statement of financial position.

(h) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(i) Income Tax

The Club is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

Strathfield Recreation Club

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Notes to the Financial Statements

For the Year Ended 30 September 2024

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Key estimates- Income tax exempt status

The Directors of the Club have self assessed their ongoing exemption from income tax at 30 September 2024, as a Sporting Club in accordance with Section 50.45 of the Income Tax Assessment Act 1997.

Key estimates - fair value of land

The Club carries its land at fair value with changes in the fair value recognised in revaluation reserve. Independent valuations are obtained triennially. At the end of each reporting period the committee members update their assessment of the fair value of land, taking into account the most recent valuations and movements in the market.

An independent valuation of freehold land situated at 4a Lyon Street, Strathfield NSW 2135 was undertaken on the 8th of November 2023, resulting in a fair value adjustment of \$2,300,000 which was recognised in other comprehensive income in previous year. The independent valuation was carried out by Acrumentis Statutory Services Pty Ltd and based on market evidence and current zoning restrictions to determine the highest and best use of the Club's land.

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Notes to the Financial Statements For the Year Ended 30 September 2024

4 Revenue and Other Income

Revenue from continuing operations

	2024	2023
	\$	\$
- Membership and subscriptions	230,559	189,369
- Bar sales	1,599,088	1,691,274
- Poker machine clearance (net of payouts)	7,319,659	5,844,281
- Rental revenue	152,510	145,600
- Golden Goal revenue	590,741	595,827
- Other sales revenue	747,801	667,686
	<u>10,640,358</u>	<u>9,134,037</u>

Other income

- Government grants	-	6,000
	<u>10,640,358</u>	<u>9,140,037</u>

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated into revenue earned at a point in time and revenue earned over time.

Timing of revenue recognition

- At a point in time	10,257,289	8,799,068
- Over time	383,069	340,969
	<u>10,640,358</u>	<u>9,140,037</u>

Strathfield Recreation Club

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Notes to the Financial Statements For the Year Ended 30 September 2024

5 Result for the year

The result for the year includes the following specific expenses:

	2024	2023
	\$	\$
Depreciation & impairment		
Depreciation on buildings	339,612	330,221
Depreciation on plant and equipment	547,618	493,116
Depreciation of right-of-use asset	85,716	119,042
	<u>972,946</u>	<u>942,379</u>
Employee benefits expense:		
- Salary and employee benefit expense	1,876,957	1,735,053
- Contributed superannuation	196,204	171,231
- Other employee costs	120,531	98,301
	<u>2,193,692</u>	<u>2,004,585</u>
Other operating expenses		
- Advertising	45,042	47,181
- Bank charges	57,233	57,625
- Cleaning	241,563	247,845
- Donations	380,288	260,996
- Utilities	169,923	108,227
- Entertainment expenses	228,284	188,983
- Insurance expense	132,755	106,812
- Other operating expenses	420,406	383,846
- Subcontracting costs	195,705	-
- Repairs and maintenance	317,063	358,456
- Security costs	33,021	259,272
	<u>2,221,283</u>	<u>2,019,243</u>
6 Cash and Cash Equivalents		
Cash on hand	198,515	177,054
Cash at bank	1,111,279	874,477
	<u>1,309,794</u>	<u>1,051,531</u>
7 Financial Assets		
CURRENT		
Term deposits	3,000,000	-

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Notes to the Financial Statements For the Year Ended 30 September 2024

8 Property, plant and equipment

	2024	2023
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At independent valuation	32,300,000	32,300,000
Buildings		
At cost	11,767,320	11,552,741
Accumulated depreciation	(1,693,979)	(1,356,582)
	10,073,341	10,196,159
Future capital improvements		
At cost	394,962	386,652
Plant and equipment		
At cost	3,333,535	3,034,471
Accumulated depreciation	(2,500,589)	(1,992,900)
	832,946	1,041,571
	43,601,249	43,924,382

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Future Capital Improvements	Land	Buildings	Plant and Equipment	Total
	\$	\$	\$	\$	\$
Year ended 30 September 2024					
Balance at the beginning of year	386,652	32,300,000	10,196,159	1,041,571	43,924,382
Additions	296,621	-	-	268,908	565,529
Disposals/write off	-	-	-	(1,459)	(1,459)
Transfer	(288,311)	-	214,579	73,732	-
Depreciation expense	-	-	(337,397)	(549,833)	(887,230)
Balance at the end of the year	394,962	32,300,000	10,073,341	832,919	43,601,222

Future capital improvements

Future capital improvements relate to expenditure incurred in relation to the ongoing development of the Club premises. The value of future capital improvements were recognised at cost and transferred to buildings on completion of the development.

Independent valuation of land

An independent valuation of freehold land situated at 4a Lyon Street, Strathfield NSW 2135 was undertaken on the 8th of November 2023, resulting in a fair value adjustment of \$2,300,000 being recognised in other comprehensive income in previous year.. The independent valuation was carried out by Acrumentis Statutory Services Pty Ltd and based on market evidence and current zoning restrictions to determine the highest and best use of the Club's land.

Strathfield Recreation Club

ABN: 67 000 001 178

Notes to the Financial Statements For the Year Ended 30 September 2024

9 Intangible Assets

	2024	2023
	\$	\$
Poker machine entitlements	<u>1,039,863</u>	1,039,863
Total Intangible assets	<u>1,039,863</u>	<u>1,039,863</u>

10 Trade and Other Payables

CURRENT

Trade payables	431,290	282,917
Payroll accrual	41,371	38,326
GST payable	<u>213,610</u>	125,330
	<u>686,271</u>	<u>446,573</u>

11 Employee Benefits

CURRENT

Provision for employee benefits	<u>167,283</u>	195,119
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NON-CURRENT

Provision for long service leave	<u>41,708</u>	-
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12 Other Liabilities

CURRENT

Advance payments - members subscriptions	107,218	82,725
Advance payments - GST rebates	8,005	13,647
Rental bond	<u>14,240</u>	14,770
	<u>129,463</u>	<u>111,142</u>

13 Reserves

Asset revaluation reserve - land and buildings	32,450,000	32,450,000
Capital profits reserve	<u>152,689</u>	152,689
	<u>32,602,689</u>	<u>32,602,689</u>

(a) Asset revaluation reserve

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.

Strathfield Recreation Club

ABN: 67 000 001 178

Notes to the Financial Statements For the Year Ended 30 September 2024

14 Financial Risk Management

	2024	2023
	\$	\$
Financial assets		
<i>Held at amortised cost</i>		
Cash and cash equivalents	1,309,794	1,051,531
Trade and other receivables	102,786	89,541
Other financial asset	3,000,000	-
Total financial assets	4,412,580	1,141,072
Financial liabilities		
<i>Held at amortised cost</i>		
Trade and other payables	686,271	446,573
Other liabilities	129,463	111,142
Lease liabilities	53,004	143,192
Total financial liabilities	868,738	700,907

15 Members' Guarantee

The Club is incorporated under the *Corporations Act 2001* and is a Club limited by guarantee. If the Club is wound up, the constitution states that each member is required to contribute a maximum of \$6 each towards meeting any outstanding obligations of the Club. At 30 September 2024 the number of members was 10,532 (2023: 13,335).

16 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Club is \$ 247,242 (2023: \$221,688).

17 Auditors' Remuneration

Remuneration of the auditor, PKF for:

- auditing or reviewing the financial statements	26,145	24,900
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18 Fair Value Measurement

The Club measures the following assets and liabilities at fair value on a recurring basis:

- Property, plant and equipment - land

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

Strathfield Recreation Club

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Notes to the Financial Statements For the Year Ended 30 September 2024

18 Fair Value Measurement (cont'd)

Fair value hierarchy (cont'd)

The table below shows the assigned level for each asset and liability held at fair value by the company:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
30 September 2024				
Recurring fair value measurements				
Property, plant and equipment				
Land	-	32,300,000	-	32,300,000
30 September 2023				
Recurring fair value measurements				
Property, plant and equipment				
Land	-	32,300,000	-	32,300,000

19 Contingencies

In the opinion of the Directors, the Club did not have any contingencies at 30 September 2024 (30 September 2023: None).

20 Related Parties

(a) The Club's main related parties are as follows:

Key management personnel - refer to Note 16.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Strathfield Recreation Club

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Notes to the Financial Statements

For the Year Ended 30 September 2024

21 Events after the end of the Reporting Period

The financial report was authorised for issue on _____ by the Board of Directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Club, the results of those operations or the state of affairs of the Club in future financial years.

22 Statutory Information

The registered office and principal place of business of the company is:

Strathfield Recreation Club
4a Lyons Street
Strathfield NSW 2135

Strathfield Recreation Club

ABN: 67 000 001 178

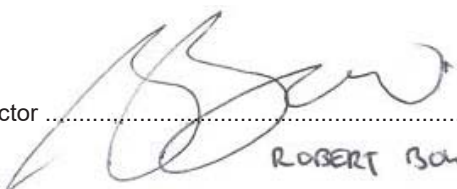
Director's Declaration

For the Year Ended 30 September 2024

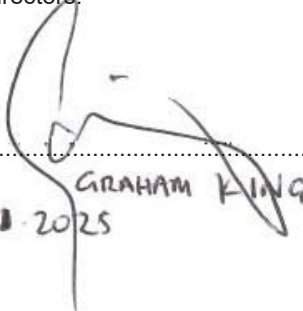
The directors of the Club declare that:

1. The financial statements and notes, as set out on pages 6 to 25, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosure; and
 - b. give a true and fair view of the financial position as at 30 September 2024 and of the performance for the year ended on that date of the Club.
2. In the directors' opinion, there are reasonable grounds to believe that the Club 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.

Director

ROBERT BOW

Dated : 20.1.2025

Director

GRAHAM KING
20.1.2025

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF STRATHFIELD RECREATION CLUB LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Strathfield Recreation Club Limited (the Company), which comprises the statement of financial position as at 30 September 2024, 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, and notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of Strathfield Recreation Club Limited, 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 September 2024, and of its financial performance for the year then ended; and
- (b) Complying with the Australian Accounting Standards – Simplified Disclosure Requirements and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

Other Information

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 September 2024, but does not include the financial report and our auditor's report thereon.

Other Information (cont'd)

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 Disclosure Requirements 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 has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

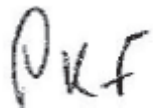
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.



PKF



KYM REILLY
PARTNER

20 JANUARY 2025
SYDNEY, NSW