

JETS SPORTS CLUB LTD

ABN: 40 001 037 010

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

**JETS SPORTS CLUB LTD
FOR THE YEAR ENDED 30 JUNE 2023**

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**JETS SPORTS CLUB LTD
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

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

DIRECTORS

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

Names	Position	Appointed	Resigned
Jeffrey Gabriel	Director	17/06/2019	11/12/2022
Glenn Michael Dwyer	Director	11/08/2006	
Terrance David Rowney	Director	28/07/1996	
John Francis Lynch	Director	28/07/1996	11/12/2022
Annette Mustow	Director/Company Secretary	30/06/2020	
Stuart McCarthy	Director	11/12/2022	
Karl Eric Cope	Director	11/12/2022	
Frank Pezzimenti	Director	11/12/2022	
Peter Beaumont	Director	11/12/2022	

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

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year were those of a licensed club, providing:

- Social facilities;
- Food, beverage, entertainment, event & gaming facilities; and
- Sporting facilities

SHORT TERM OBJECTIVES

The principal activities of the Company during the financial year were those of a licensed club, providing:

- Social facilities;
- Food, beverage, entertainment, event & gaming facilities; and
- Sporting facilities

STRATEGY FOR ACHIEVING THE OBJECTIVES

To achieve these objectives, The Company has adopted the following strategies:

- Ensure Club policies are appropriate;
- Ensure professional management;
- Ensure proficient and cost effective operation of the Club;
- Always endeavour to attract and retain excellent hospitality staff;
- Always endeavour to satisfy or exceed member's expectations for all services and facilities provided by the Club; and
- Ensure continued trading and profitability and invest surplus funds securely with good returns.

STRATEGY FOR ACHIEVING THE OBJECTIVES

The following measures are used within the Company to monitor performance:

- Monthly analysis on cost effectiveness and performance; and
- Monthly review of operations.

INFORMATION ON DIRECTORS

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

Glenn Michael Dwyer	
Qualifications	Solicitor LLB
Experience	Long-term Director
Special responsibilities	None
Terrance David Rowney	
Qualifications	Bachelor of Commerce
Experience	Long-term Director
Special responsibilities	Day-to-day overseeing of operations

**JETS SPORTS CLUB LTD
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

Annette Mustow Qualifications Experience Special responsibilities	Management Degree Long-term senior roles in management positions Company Secretary
Stuart McCarthy Experience	CEO of the Newtown, Rugby league football club
Karl Eric Cope Qualifications Experience	BComm. MBA. FCA. GAICD CEO
Frank Pezzimenti Experience	Retired Chartered Accountant
Peter Beaumont Experience	CEO of the NSW Rifle Association

MEMBERS GUARANTEE

Jets Sports Club Ltd is a company limited by guarantee. If the Club is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. As at 30 June 2023, the total amount that members of the Club are liable to contribute if the Club is wound up is \$18,710 (2022: \$18,710).

CORE AND NON-CORE PROPERTY

In accordance with Section 41J of the Registered Clubs Act the Club's property assets are classified as Core Property.

DIRECTOR' MEETINGS

During the financial year 2023 7 meetings of directors were held. Attendances by each director during the year were as follows:

Directors' Meetings, Board of Directors conducted meetings

	Number of eligible to attend	Number attended
J. Gabriel	1	0
M. Dwyer	7	6
T.D Rowney	7	5
J.F Lynch	1	0
A. Mustow	7	7
S. McCarthy	7	6
K. Cope	7	6
F. Pezzimenti	7	4
P. Beaumont	7	6

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 June 2023 has been received and can be found on page 4 of the financial report.

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

T.D Rowney

Director

Dated at Sydney,

A Mustow

Director



P J Rathod, FCPA
Certified Practising Accountants
Consulting & Business Advisors

107/7 Conder St
Burwood NSW 2134

Tel No. 0423870751

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
JETS SPORTS CLUB LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 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.

Pran Rathod - Director Audit Services
Registered Company Auditor

Dated at Sydney,

JETS SPORTS CLUB LTD
ABN: 40 001 037 010
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Revenue	3	7,476,032	5,512,257
Cost of goods sold		<u>(5,436,516)</u>	<u>(3,797,397)</u>
Gross profit		2,039,516	1,714,860
Other income	3	65,543	174,429
Employee benefits expense		(829,657)	(650,605)
Depreciation and amortisation		(282,251)	(238,583)
Interest		(45,387)	(36,507)
Other expenses	3A	<u>(1,051,492)</u>	<u>(842,516)</u>
(Deficit)/ Surplus before income tax		(103,728)	121,078
Income tax expense		-	-
Surplus for the year		<u>(103,728)</u>	<u>121,078</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u><u>(103,728)</u></u>	<u><u>121,078</u></u>

The accompanying notes form part of these financial statements.

JETS SPORTS CLUB LTD
ABN: 40 001 037 010
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	5	208,076	319,782
Trade and Other Receivables	6	8,289	192
Inventories	7	47,269	51,139
Other Assets		56,298	-
TOTAL CURRENT ASSETS		319,932	371,113
NON-CURRENT ASSETS			
Property, Plant and Equipment	6	1,674,175	1,737,368
Intangible Assets	8	1,296,207	1,302,361
TOTAL NON-CURRENT ASSETS		2,970,382	3,039,729
TOTAL ASSETS		3,290,314	3,410,842
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	10	274,797	326,063
Financial Liabilities	11	-	4,380
TOTAL CURRENT LIABILITIES		274,797	330,443
NON-CURRENT LIABILITIES			
Financial Liabilities	11	1,517,500	1,478,654
TOTAL NON-CURRENT LIABILITIES		1,517,500	1,478,654
TOTAL LIABILITIES		1,792,297	1,809,097
NET ASSETS		1,498,017	1,601,745
EQUITY			
Retained Earnings		308,017	411,745
Asset Revaluation Reserve		1,190,000	1,190,000
		1,498,017	1,601,745

The accompanying notes form part of these financial statements.

JETS SPORTS CLUB LTD
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2021	290,667	290,667
Surplus for the year	121,078	121,078
Balance at 30 June 2022	<u>411,745</u>	<u>411,745</u>
Deficit for the year	(103,728)	(103,728)
Balance at 30 June 2023	<u><u>308,017</u></u>	<u><u>308,017</u></u>

The accompanying notes form part of these financial statements.

**JETS SPORTS CLUB LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
CASHFLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		7,541,934	5,667,731
Payments to suppliers and employees		(7,425,739)	(5,144,026)
Net interest paid		(45,027)	(36,507)
Net cash provided by operating activities		71,168	487,198
CASHFLOWS FROM INVESTING ACTIVITIES			
(Payment for)/ Proceeds on sale of fixed assets		(8,816)	18,763
Purchase of plant & equipment		(212,904)	(307,523)
Net cash used in investing activities		(221,720)	(288,760)
CASHFLOWS FROM FINANCING ACTIVITIES			
Net proceeds from/ (repayment to) borrowing		38,846	(69,513)
Net cash provided by/ (used in) financing activities		38,846	(69,513)
Net (decrease)/ increase in Cash and Cash Equivalents		(111,706)	128,925
Cash and Cash Equivalents at the beginning of financial year		319,782	190,857
Cash and Cash Equivalents at the end of financial year	4	208,076	319,782

The accompanying notes form part of these financial statements.

JETS SPORTS CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The general-purpose financial statements are general purpose financial statements that have been prepared in accordance with Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB) and comply with other requirements of the law.

The financial statements comprise the financial statements of Jet Sports Club Ltd. For the purposes of preparing the financial statements, the Company is a not-for-profit entity. The financial statements were approved and authorized for issue on 26/09/2023.

The presentation currency used in these financial statements is Australian dollars (\$). Amounts in these financial statements are stated in Australian dollars.

Statement of compliance

The Company does not have 'public accountability' as defined in AASB 1053 Application of Tiers of Australian Accounting Standards and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards.

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures.

The financial statements have been prepared on the basis of historical cost, except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

(b) Revenue Recognition

The core principle of AASB 15 is that revenue is recognized on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognized by applying a five-step model as follows:

- 1). Identify the contract with the customer
- 2). Identify the performance obligations
- 3). Determine the transaction price
- 4). Allocate the transaction price to the performance obligations
- 5). Recognize revenue as and when control of the performance obligations is transferred

Revenue from the sale of goods is recognized at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

JETS SPORTS CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Revenue from providing services is recognized in the accounting period in which the services are rendered.

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

Government subsidy revenue is recognized when the right to receive a subsidy has been established.

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

(c) Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

(d) Inventories

Inventories are measured at the lower of cost and net realizable value. Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition.

(e) Plant and equipment

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

Freehold property

Freehold land and buildings are measured on a cost basis less accumulated depreciation for buildings.

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

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

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

Leased assets and leasehold improvements are amortized over the shorter of either the unexpired period of the lease or their estimated useful life.

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

Fixed asset class	Depreciation rate
Freehold Land	Nil
Buildings (Straight-line or Diminishing value)	2.5%
Plant and Equipment (Straight-line)	7.5% - 33%

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.

(f) Fair Value of Assets and Liabilities

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

When estimating the fair value of an asset or liability, the company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to valuation techniques used to measure fair value are categorised into three levels according to the extent to which the inputs are observable:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regards to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. The valuation techniques maximise, to the extent possible, the use of observable market data.

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in

The fair value of liabilities and the entity's own equity instruments may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information were such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(g) Financial Instruments

Recognition and Initial Measurement

Financial instruments incorporating financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and Subsequent Measurement

Financial assets are classified into the following specified categories: financial assets at Fair Value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The company's financial assets comprise only of receivables.

(h) Trade Receivables

Trade receivables and other receivables are reported at fair value less any provision for doubtful debts. Trade receivables are reviewed on an ongoing basis. Debts which are known to be un-collectible are written off. A provision for doubtful receivables is established where there is subjective evidence that the receivable may not be collectable in full. Movements on the provision are recognised directly to the income statement.

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Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation, or
- The disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(i) Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount up to the value the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(j) Intangible assets

Poker machine Entitlements

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

(k) 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.

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(I) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the Australian Tax Office (ATO) using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the Company in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised, unless the deferred tax asset relating to temporary differences arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

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FOR THE YEAR ENDED 30 JUNE 2023

(m) Employee Benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

These obligations are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

(n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- > When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- > Receivables and payables, which are stated with the amount of GST included.

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

Cash flows are included in the statement of cash flows 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 part of operating cash flows.

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

(o) Trade and Other Payables

Trade and other payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities of goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(p) New Australian Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2023. The Company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Association, is considered not significant.

(q) Operating Expenses

Operating expenses are recognized in profit or loss upon utilization of the service or at the date of their origin.

JETS SPORTS CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 2 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 - mutuality principle

In the preparation of the Company's annual income tax return, management estimate the proportion of receipts derived from mutual dealings with members, and expenses incurred in deriving those receipts. Management estimates for the apportionment of receipts and expenses between members and visitors are based on records and registers maintained by the Company.

Key estimates - Impairment of Intangibles

The recoverable amount of intangible assets was assessed by reference to the intangibles value-in-use. Value-in-use is calculated based on the present value of cash flow projections over a 5-year period.

Note 3 Revenue

	2023	2022
	\$	\$
Bingo & raffles Revenue	65,797	57,366
Gaming revenue	6,031,223	4,685,975
Bar sales	879,302	584,906
Catering sales	240,401	34,088
Functions	181,319	80,068
Keno commission	57,441	58,000
TAB commission	11,030	6,612
Member subscriptions	8,612	5,242
Sundry income	907	-
	<u>7,476,032</u>	<u>5,512,257</u>
Other Income		
Wages subsidy	3,043	91,190
Interest received	360	8
(Loss)/ Gain on sale of fixed assets	(8,816)	18,763
Commissions & rebates	53,776	47,288
State revenue	17,180	17,180
	<u>65,543</u>	<u>174,429</u>

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3A Other Expenses		
Accounting and audit	74,890	49,830
Advertising	23,093	27,073
Bank charges	9,558	4,449
Cleaning	11,667	8,006
Computer expenses	21,265	8,207
Cash shortage	1,523	(1,018)
Sub-contractors	-	10,477
Data monitoring - Poker machines	32,818	27,644
Donations	327	208
Enter/promotions	138,010	76,479
Gas	1,146	1,820
Bar expenses	5,311	2,998
Kitchen subsidy & expenses	58,669	28,048
Insurance	59,254	76,629
Light	129,147	78,260
Members redemptions	22,834	54,349
Poker machine expenses	26,426	30,184
Postage	520	800
Printing	7,767	17,613
Rates/taxes	45,525	46,036
Repairs	100,261	56,106
Security	2,152	1,461
Staff/member amenities	23,268	18,427
Staff training/welfare	2,355	273
Sponsorship	6,985	7,270
Subs/ licenses	14,963	14,675
Telephone	1,831	3,182
Tab	41,354	27,708
Travel	6,436	4,998
Waste disposal	5,501	3,533
Legal	6,118	6,382
Courtesy bus	1,423	1,895
State revenue tax	146,377	123,967
General Manager expense	22,718	24,481
	1,051,492	842,450

Note 4 Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash on hand	60,000	60,000
Cash at bank	148,076	259,782
	208,076	319,782

JETS SPORTS CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 5 Trade and Other Receivables

	2023	2022
	\$	\$
Current		
Trade receivables	8,289	192
	<u>8,289</u>	<u>192</u>

Note 6 Inventories

	2023	2022
	\$	\$
Bar stock	47,269	51,139
	<u>47,269</u>	<u>51,139</u>

Note 7 Plant and equipment

	2023	2022
	\$	\$
Land and buildings		
Freehold land		
At cost	231,000	231,000
Total Freehold land	<u>231,000</u>	<u>231,000</u>
Buildings		
At cost	1,410,360	1,373,008
Accumulated depreciation	(616,510)	(582,035)
Total Buildings	<u>793,850</u>	<u>790,973</u>
Total Land and Buildings	<u>1,024,850</u>	<u>1,021,973</u>
Property and Equipment (Including Poker Machines)		
At cost	1,655,702	1,549,646
Accumulated depreciation	(1,006,377)	(834,251)
Total Property and Equipment	<u>649,325</u>	<u>715,395</u>
Total Property, Plant and Equipment	<u>1,674,175</u>	<u>1,737,368</u>

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

	Land and buildings \$	Property and Equipment \$	Total \$
2023			
Balance at the beginning of the year	1,021,973	715,395	1,737,368
Additions at cost	37,352	175,552	212,904
Depreciation expense	(34,475)	(241,622)	(276,097)
Carrying amount at the end of the year	<u>1,024,850</u>	<u>649,325</u>	<u>1,674,175</u>

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

Note 8 Intangible Assets

	2023	2022
	\$	\$
Gaming machine entitlements		
At Valuation	1,271,593	1,271,593
Formation Expense	30,768	30,768
Accumulated Amortisation	(6,154)	-
	<u>1,296,207</u>	<u>1,302,361</u>

Gaming machine entitlements have been revalued based on independent valuation carried out by Research Knowledge Pty Ltd in July 2019. The directors carried out impairment testing on 30 June 2023 and are satisfied that the poker machines entitlements have not been impaired.

Note 9 Trade and Other Payables

	2023	2022
	\$	\$
Current		
Trade payables	221,804	273,108
PAYG payable	10,118	18,811
Member rewards	3,799	4,053
GST payable	22,018	22,575
Super payable	5,086	7,516
Other payables	11,972	-
	<u>274,797</u>	<u>326,063</u>

Note 10 Financial Liabilities

	2023	2022
	\$	\$
Terry Rowney (a)	575,835	575,835
SG gaming	-	4,380
Syd credit Union (b)	190,314	292,019
Jets Loan-unsecured interest free	610,800	610,800
IGT Australia Ltd Cash Catch Panthers Gold	19,800	-
Loan Desspos Solutions	14,011	-
Aristcrat Technologies Cash Express Luxury	106,740	-
	<u>1,517,500</u>	<u>1,483,034</u>

(a) The Loan is secured by way of 2nd mortgage over land and building interest bearing at \$2000 per month and is payable after 12 months of signing of the accounts.

(b) The loan is secured by way of a first mortgage over the land and building.

DISCLOSED IN ACCOUNTS AS

	2023	2022
	\$	\$
Current	-	4,380
Non-current	1,517,500	1,478,654
	<u>1,517,500</u>	<u>1,483,034</u>

JETS SPORTS CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 11 Financial Risk Management

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries.

The totals for each category of financial instruments, measured in accordance with AASB 9 (and related Standards) as detailed in the accounting policies to these financial statements, are as follows:

	2023	2022
	\$	\$
Financial Assets		
Cash and cash equivalents	208,076	319,782
Trade and other receivables	8,289	192
Total financial assets	216,365	319,974
Financial Liabilities		
Financial liabilities at amortised cost	1,517,500	1,483,034
Trade and other payables	274,797	326,063
Total financial liabilities	1,792,297	1,809,097

Note 12 Capital and Leasing Commitments

	2023	2022
	\$	\$
Capital Expenditure Commitments contracted	-	-

Note 13 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2023 (30 June 2022: None).

Note 14 Related Parties

Key management personnel

Key management personnel are any person(s) having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly. Related parties are immediate family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel, individually or collectively with their immediate family members. Transactions between related parties are on normal commercial terms and conditions no more favorable than those available to other parties unless otherwise stated.

	2023	2022
	\$	\$
Key management personnel		
Interest paid	22,000	24,000
Loans payable	575,835	575,835
	597,835	599,835

Note 15 Remuneration of Auditors

	2023	2022
	\$	\$
Audit of financial report	6,200	9,900
	6,200	9,900

JETS SPORTS CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 16 Events after Balance Date

No matter or circumstance has arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Note 17 Company Details

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

Jets Sports Club Ltd

MP & K Partners

Unit 5, 9 Montgomery Street

Kograh NSW 2217

Note 18 Events after Balance Date

Jets Sports Club Ltd is a company limited by guarantee. If the Club is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. As at 30 June 2023, the total amount that members of the Club are liable to contribute if the Club is wound up is \$18,710 (2022: \$18,710).

**JETS SPORTS CLUB LTD
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2023**

In accordance with a resolution of the directors of Jets Sports Club Ltd, the directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 20, are in accordance with the Corporations Act 2001 and:

a. comply with Australian Accounting Standards – Simplified Disclosures; and

b. give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Company.

2. In the directors' opinion there are reasonable grounds to believe that Wealthtrac Pty Ltd 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.

T.D Rowney

Director

A Mustow

Director

Dated at Sydney,



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JETS SPORTS CLUB LTD

Opinion

I have audited the financial report of Jets Sports Club Ltd ('Company'), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in accumulated funds and statement of cash flows for the year then ended, note comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration.

In my opinion, the financial report of the company is in accordance with the Corporations Act 2001,

- a. giving a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and the Corporations Regulations 2001.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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 and have determined that the basis of preparation described in Note 1 to the financial report are appropriate to meet the requirements of the Corporations Act 2001 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a 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 relating 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

My 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 my 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.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 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 the directors.
- 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

Pran Rathod - Director Audit Services
Registered Company Auditor

Dated at Sydney,