

ANNUAL REPORT

2022-2023



The place to meet.

Company Particulars

Directors

Alan Keates PSM OAM	President
Bernadette Roberts	Vice President and Company Secretary
Leslie Broughton	Junior Vice President
Robert Lorenz	Director
Rodney Kippen	Director
Peter Leighton	Director
Dale Burgess	Director

Manager

Caloundra Sub Branch RSL & Services Club Inc

Principal Registered Office

2 Lamerough Parade GOLDEN BEACH QLD 4551

Auditors

Love & Partners

Registered Company Auditors PO Box 299 MAROOCHYDORE QLD 4558

Bankers

National Australia Bank 47 Bowman Road CALOUNDRA Qld 4551

Front cover: President Alan (Joe) Keates joins the Caloundra Coast Guard (QF4) to trial the boat 'Power Boat Club Rescue' for which the Caloundra Power Boat Club contributed \$10,000 towards the purchase. The boat will be used for shallow water rescue and training.

President's Report to the Members

It has been another successful year for the Club. The Board and Management continue to closely monitor challenging business conditions.

The annual financial report shows that the Club made a net profit after tax of \$700,172.

Our cash assets have increased from \$2,076,971 last year to \$2,112,234 this year.

This year's depreciation amounted to \$285,104 with annual wage cost and superannuation being \$2,557,389 and \$259,775, respectively.

There has been record capital expenditure during the year totalling \$1,011,674. The major expenditure was for the replacement of the lift, refurbishment of function room facilities, a new air-conditioning unit for the bar, bar renovations, gaming machines, and the commencement of an upgrade to ground floor amenities. Repair and maintenance works undertaken during the year cost \$150,635.

This year the Board completed a review of the Constitution with the assistance of Lawyers, McCullough Robertson. The new Constitution modernises the Club's governance document and ensures that the Club complies with the Corporations Act 2001. The new Constitution was adopted unanimously by members at an Extraordinary General Meeting on 11 June 2023.

Our membership stands at 15,144. The Internal Club Committees have continued to operate and provide our members with additional social activities. Their efforts are appreciated by the Board.

The Club has again been awarded the Brides Choice Award for best Licensed Wedding Venue for the Sunshine Coast. This is the sixth year in succession that the Club has won this award. The Club also won the best wedding coordinator. This is a remarkable achievement and is testament to Priscilla Wilcox and her team.

Our Operations Manager, Shane Anderson, supported by Duty Manager, Donna, our new Head Chef Jarick and all our staff have provided our members and visitors with excellent service. Thank you, Shane, and everyone in the team for their amazing contributions.

Thank you to the RSL General Manager, Graeme Devin, and the Caloundra RSL management team and staff for your advice and assistance.

This annual report will be my last. I have enjoyed my 15 years on the Board, with the last four years as President of the Club. To my fellow Board members, I thank you for your support and commitment throughout the year.

My best wishes for the continued success of the Club and my thanks to Club members for their continued patronage.



Alan (Joe) Keates PSM, OAM, FLGMA Ret'd
President

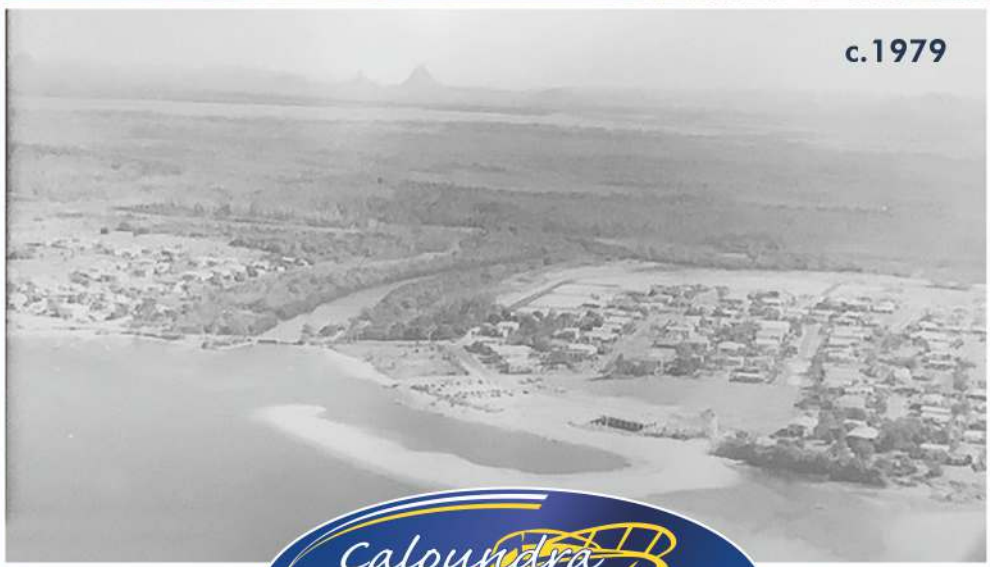




c.2020



c.1999



c.1979



The place to meet.

General Managers Report to the Members

I am pleased to report on your Club as General Manager for the 2022–23 Financial Year.

The Club has performed well for the financial year and continues to go from strength to strength. This was achieved despite the challenges of “cost of living” pressures we all face. The Club continues to invest back into the business with more renovations planned for the coming year.

This year marks the last year of Alan (Joe) Keates’s tenure as President and I wish him all the best in his “retirement”. Joe has been a shining beacon and champion of the Caloundra Power Boat Club for several years. His dedication and service to the Club has set the standard for those who follow. I can assure you the bar has been set very high. Alan has been President through the very toughest of times and his dedication and perseverance have resulted in a strong and resilient Club ready to take on the future. I am honoured to say that I worked with Alan during this time.

I look forward to continuing our usual Friday morning catch up with a coffee and “crab sandwich” (one day we might actually have one).

Special thanks to Club President, Alan Keates, and his fellow Board members for their dedication and support.

To our Operations Manager, Shane Anderson and our wonderful team of staff; your efficient, friendly service has been commendable; thank you for your ongoing commitment and exceptional efforts.

Finally, thank you to all our members for your patience, understanding, patronage and continued support.



Graeme Devin
GENERAL MANAGER





Image by Lou O'Brien

CALOUNDRA POWER BOAT CLUB LTD

ABN: 73 010 018 934

TRADING AS



**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

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Contact Details

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

Caloundra Power Boat Club Ltd

2 Lamerough Parade

GOLDEN BEACH QLD 4551

T: (07) 5492 1444

W: www.caloundrapowerboat.com.au

CALOUNDRA POWER BOAT CLUB LTD

ABN: 73 010 018 934

DIRECTORS REPORT FOR THE YEAR ENDED 30 JUNE 2023

Your directors present this report on the company for the financial year ended 30 June 2023. In order to comply with the provisions of the *Corporations Act 2001 (the Act)* the directors report as follows.

Directors

The names of each person who has been a director during the year and to the date of this report along with their respective number of meetings attended are as follows:

<u>Name of director</u>	Number attended	Number eligible to attend
Alan Keates PSM OAM	11	11
Bernadette Roberts	11	11
Leslie Broughton	11	11
Dale Burgess	10	11
Rodney Kippen	9	11
Peter Leighton	10	11
Robert Lorenz	11	11

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

Principal activities

The objects for which the company is established include:

- to encourage and provide sporting, recreation and social activities and facilities for the benefit of members;
- to foster friendship and goodwill among members;
- to develop and foster relations with other kindred associations;
- to make donations to patriotic, charitable and community purposes; and
- to do all such other things as may be deemed incidental or conducive to the attainment of the objects of the company or any of them.

There was no significant change to the nature of the club's principal activities during the year.

Review of operations

During the year the company continued to engage in its principal activities, the results of which are disclosed in the attached financial statements.

The net surplus (deficit) of the company for the financial year to 30 June 2023 was: \$ 700,172

Short-term and long-term objectives

The company's short-term objectives are:

- to encourage and provide sporting, recreation and social activities and facilities for the benefit of members;
- to foster friendship and goodwill among members;
- to develop and foster relations with other kindred associations;
- to make donations to patriotic, charitable and community purposes;
- to inspire and nurture the club's employees to achieve service levels beyond expectation;
- to adapt the club's function facilities to appeal to a broader clientele in order to improve asset utilisation and function revenue;
- to enhance the club's market presence and financial performance to examining and evaluation diversification opportunities pertaining to physical assets and product offerings; and
- to do all such other things as may be deemed incidental or conducive to the attainment of the objects of the company or any of them.

The company's long-term objectives are:

- to grow the club's relevance in the local and broader community to differentiating the product offering from that of competitor venues;
- to uphold the club's reputation for service, innovation and value for money by continuing to maintain high standards of food and beverage catering, and the presentation of the club's facilities;
- to develop a cohesive communications strategy, combining all forms of media to achieve longer term cost-effective marketing of the club and its services;
- to improve the club's engagement with the community by regularly promoting food offerings and entertainment events that will appeal to the broader demographic; and
- to support the Sunshine Coast Region through maintaining use of at least 90 per cent of local product and materials.

CALOUNDRA POWER BOAT CLUB LTD

ABN: 73 010 018 934

DIRECTORS REPORT FOR THE YEAR ENDED 30 JUNE 2023

Strategies

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

- promoting the club's unique position and perfect water-front view;
- maintaining a high standard of facilities for members through replacement where necessary and ongoing renovations;
- developing and implementing a three-year strategic plan and related, detailed action plans;
- developing and following an ongoing asset management plan;
- offering a range of dining options, including local seafood, with diverse menus that change regularly;
- supporting the Sunshine Coast Region by using local produce and resources as much as possible;
- consistently training staff in all aspects of customer service;
- ensuring that staff members have the opportunity to advance their careers in hospitality through, for instance, completing the requirements for promotion to Duty Manager positions;
- providing a wide range of free entertainment weekly ,on occasions such as public holidays, and on celebrations such as Australia Day, Easter, Christmas, etc.;
- providing opportunities to win through raffles and membership draws every week and supporting sub-clubs through provision of opportunities to raise funds through raffles on designated week nights;
- providing a range of membership benefits and rewards through a loyalty system;
- assisting the Caloundra Coast Guard in its activities through sponsorship and donations and by providing the opportunity to raise funds through Saturday raffles; and\
- promoting the points of difference that distinguish the club from other similar facilities on the Sunshine Coast.

Key performance measures

The company measures its own performance through the use of both quantitated and qualitative benchmarks as outlined in the strategic and action plans. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

Directors information

Alan Keates PSM, OAM, FLGMA Ret'd

Position	Elected President on 23 May 2019 and was previously Vice President
Qualifications	Local Government Clerks Certificate
Experience	Chief Executive Officer Wondai Shire Council from 1975 to 2007, Director and Secretary of Caloundra Power Boat Club Board from 2007 to 2019. Director and President from 2019 to present.
Special responsibilities	As required of President

Bernadette Roberts FACE

Position	Elected Vice President on 23 May 2019, appointed Company Secretary of 27 January 2022. Was previously a club director.
Qualifications	BSc, DipEd, BEdSt, MSc, FACE
Experience	Current Trustee of the Feline Health Research Fund. Retired CEO of a Queensland statutory body; Member of Griffith University Council for 10 years and member or Chair of several Griffith University committees. President of Griffith University Alumni Association for 10 years. President of Australian University Alumni Council for allow term of two years and previously Junior Vice President and Senior Vice President of that organisation. Extensive experience for over 40 years as President, Honorary Secretary and Treasurer of numerous bodies associated with the cat fancy.
Special responsibilities	As required of Vice President. Company Secretary, strategic planning, website and support the President.

Leslie Broughton

Position	Junior Vice President
Qualifications	Dip Bus Management
Experience	General Manager glass manufacturer. Certified marine technician. Public Relations Director, Little Athletics, Queensland
Special responsibilities	As required of the Vice President

CALOUNDRA POWER BOAT CLUB LTD

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

Dale Burgess (from 25 March 2022)

Position Director
Qualifications GLC&P
Experience Retired journeyman automotive engineering. Business owner and company director in automotive and outdoor power equipment industry for 40 years. Branch manager K Mart Tyre and Auto for four years. President of Tralee Speedway for four years. President of local bowls club for four years. Owned and successfully operated several mechanical businesses until retirement in 2014.

Special responsibilities As determined by Executive and Board

Rodney Kippen

Position Director
Qualifications BBus
Experience Over 30 years in the oil industry and Export Manager for four years. State General Manager for 10 years; National Automotive Marketing Manager for five years. Over 20 years as Director-Secretary of a public company, The Fruit Company Limited. Six years as Chair of the Planning and Organising Committee for Cause-Related Marketing for the Police Citizens Youth Club.

Special responsibilities Strategic Planning, website and as determined by the Executive and Board.

Peter Leighton

Position Director
Qualifications Omega, RSA Certificate and Commissioner for Declarations
Experience Retired Commercial Banking Manager (37 years with CBA and Bankwest). Last position held was relationship Manager of Commercial Customers with a loan book of \$120 million dollars, working predominantly with companies supplying drinks and accommodation in hotels and motels. Former banking delegate to Queensland Hotels Association

Special responsibilities As determined by the Executive and Board

Robert Lorenz

Position Director
Qualifications Mechanic by trade and retired Asset Manager with Queensland Rail for 34 years. Associate Member, of Customer Service Institute of Australia. Certificates in Queensland Rail Training and Development, Responsibility Hospitality Practices. Several Certificates from The Pan Pacific Hotel Career Development Institute

Experience Previously held position of Director on the Board of Wantima Country Club (a listed company) with six years as President. Member of several committees such as golf clubs, social clubs, etc.

Special responsibilities As determined by the Executive and Board

Company limited by guarantee

The company is registered with the Australian Securities and Investment Commission and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$20 towards meeting any outstanding obligations of the entity. As at 30 June 2023, the total amount that members of the company are liable to contribute if the company is wound up is \$302,880 (2022 \$310,720).

Auditor's independence of declaration

The lead auditor's independence declaration for the year ended 30 June 2023 has been received and can be found in this financial report.

Signed in accordance with a resolution of the Board of Directors



Alan Keates PSM, OAM, FLGMA Ret'd

8 SEPTEMBER 2023

Date

CALOUNDRA POWER BOAT CLUB LTD

ABN: 73 010 018 934

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*
FOR THE YEAR ENDED 30 JUNE 2023**

In accordance with s 307C of the *Corporations Act 2001*, we are pleased to provide the following declaration of independence to the directors of Caloundra Power Boat Club Ltd (*the club*). We declare that, to the best of our knowledge and belief, there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit;
- ii. any applicable code of professional conduct in relation to the audit.

Love + Partners



A handwritten signature in black ink, appearing to be 'Brett J Buntain', is written over a horizontal line.

Brett J Buntain
Managing Director
RCA No. 213172

Date: 5 September 2023

CALOUNDRA POWER BOAT CLUB LTD

ABN: 73 010 018 934

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

		This Year \$	Last Year \$
INCOME	Note		
<i>Net surplus/(deficit) from trading activities:</i>			
- Beverages		889,393	719,566
- Catering		676,219	499,655
- Gaming machines		1,773,641	1,723,682
- Keno		52,910	38,966
		<u>3,392,163</u>	<u>2,981,869</u>
Other income		243,306	220,528
Total income	1(a)	<u>3,635,469</u>	<u>3,202,397</u>
LESS: EXPENSES			
Auditor's remuneration	2	16,510	15,600
Depreciation	1(c),7(b),8(a)	285,104	370,247
Financial costs		42,267	41,412
Other expenses		1,387,925	1,310,519
Salaries, wages and related costs		1,203,491	1,162,156
Total expenses		<u>2,935,297</u>	<u>2,899,934</u>
Net surplus/(deficit) before income tax		700,172	302,463
Less: income tax	1(k)	0	0
Net surplus/(deficit) after income tax		<u>700,172</u>	<u>302,463</u>
OTHER COMPREHENSIVE INCOME			
Other		0	0
Total comprehensive income attributable to members of the club		<u>700,172</u>	<u>302,463</u>

The accompanying notes form part of these financial statements.

CALOUNDRA POWER BOAT CLUB LTD

ABN: 73 010 018 934

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	Note	This Year \$	Last Year \$
CURRENT ASSETS			
Cash	3	2,112,234	2,076,971
Receivables	4	226,578	98,186
Inventories	5	93,873	96,939
Other	6	70,971	68,689
Total current assets		<u>2,503,657</u>	<u>2,340,786</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	3,351,370	2,617,179
Right of use assets	8	675,432	1,278,325
Total non-current assets		<u>4,026,802</u>	<u>3,895,504</u>
Total assets		<u>6,530,459</u>	<u>6,236,290</u>
CURRENT LIABILITIES			
Payables	9	937,601	738,698
Borrowings	10	32,785	2,716
Lease liability	8	24,550	24,560
Provisions	11	228,744	239,802
Total current liabilities		<u>1,223,680</u>	<u>1,005,776</u>
NON-CURRENT LIABILITIES			
Borrowings	10	214,498	247,284
Lease liability	8	678,535	1,294,650
Provisions	11	83,416	58,422
Total non-current liabilities		<u>976,450</u>	<u>1,600,356</u>
Total liabilities		<u>2,200,130</u>	<u>2,606,132</u>
Net assets surplus/(deficit)		<u>4,330,329</u>	<u>3,630,157</u>
MEMBERS' FUNDS			
Retained profits/(accumulated losses)		4,330,329	3,630,157
Total equity		<u>4,330,329</u>	<u>3,630,157</u>

The accompanying notes form part of these financial statements.

CALOUNDRA POWER BOAT CLUB LTD

ABN: 73 010 018 934

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Retained Earnings	Total
THIS YEAR		
Opening balance	3,630,157	3,630,157
Current year's surplus/(deficit)	700,172	700,172
Closing balance	<u>4,330,329</u>	<u>4,330,329</u>
LAST YEAR		
Opening balance	3,327,694	3,327,694
Current year's surplus/(deficit)	302,463	302,463
Closing balance	<u>3,630,157</u>	<u>3,630,157</u>

The accompanying notes form part of these financial statements.

CALOUNDRA POWER BOAT CLUB LTD

ABN: 73 010 018 934

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

SUMMARY OF CASH FLOWS FROM:	Note	This Year \$	Last Year \$
OPERATING ACTIVITIES			
Receipts from customers		10,616,786	9,380,211
Payments to suppliers and employees		(9,532,387)	(8,648,989)
Interest received		28,374	0
Interest expense		(42,267)	(41,412)
Net cash surplus/(deficit)		<u>1,070,507</u>	<u>689,810</u>
INVESTING ACTIVITIES			
Proceeds from sale of property, plant & equipment		0	20,000
Payment for property, plant & equipment including right of use assets	7(b), 8(a)	(1,011,674)	(1,521,061)
Net cash surplus/(deficit)		<u>(1,011,674)</u>	<u>(1,501,061)</u>
FINANCING ACTIVITIES			
Proceeds from/(repayment of) borrowings		(23,570)	1,063,315
Net cash surplus/(deficit)		<u>(23,570)</u>	<u>1,063,315</u>
Net increase/(decrease) in cash held		<u>35,263</u>	<u>252,064</u>
Cash at beginning of year		2,076,971	1,824,907
Cash at end of year	1(g) & 3	<u>2,112,234</u>	<u>2,076,972</u>
RECONCILIATION OF OPERATING CASH FLOW WITH NET PROFIT/(LOSS)			
Net surplus/(deficit) from ordinary activities after income tax		700,172	302,463
Adjust for non-cash items:			
- Depreciation		285,104	370,247
- Loss/(profit) on disposal of assets		0	(17,864)
- Provision		13,935	53,452
Changes in assets and liabilities:			
- Inventory (Increase)/decrease		3,066	(25,833)
- Receivables (Increase)/decrease		(128,392)	(85,387)
- Prepayments (Increase)/decrease		(2,283)	(41,463)
- Income in advance Increase/(decrease)		146,205	90,199
- Payables Increase/(decrease)		52,698	43,996
Total net operating cash flow		<u>1,070,507</u>	<u>689,810</u>

The accompanying notes form part of these financial statements.

CALOUNDRA POWER BOAT CLUB LTD

ABN: 73 010 018 934

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

The financial statements cover Caloundra Power Boat Club Ltd (*the club*) as an individual entity, incorporated under the *Corporations Act 2001* on 28 October 1977 and domiciled in Australia. Caloundra Power Boat Club Ltd is a company limited by guarantee.

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 Australian Accounting Standards – Simplified Disclosures of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual 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. The amounts presented in the financial statements are in Australian Dollars and have been rounded to the nearest dollar.

The financial statements were authorised for issue on the date of the signed directors' declaration.

Accounting policies

(a) Revenue

Revenue recognition

Operating grants, donations and bequests

When the club receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the club:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the club:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (eg AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the club recognises income in profit or loss when or as it satisfies its obligations under the contract.

Capital grant

When the club receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The club recognises income in profit or loss when or as the club satisfies its obligations under the terms of the grant.

Interest income

Interest income is recognised using the effective interest method.

Income from sale of goods and services

Revenue from the sale of goods (food and beverages) and the sale of services (entertainment and gaming clearances net of payouts) is recognised upon the delivery of goods and services to customers.

CALOUNDRA POWER BOAT CLUB LTD

ABN: 73 010 018 934

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

(a) Revenue...continued

Membership fees entitle members to purchase goods and services at prices lower than those charged to non-members. Revenue is recognised on a basis that reflects the timing, nature and value of the benefits provided. Accordingly only those fees which are attributable to the current financial year are recognised as income. Fees and subscription receipts relating to periods beyond the current financial year are reported on the balance sheet as income in advance under the heading of current liability.

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

(b) Inventories

Inventories held for sale are measured at the lower of cost and net realisable value.

(c) Property, plant and equipment

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

Leasehold improvements

Leasehold improvements (clubhouse) are depreciated over their estimated remaining useful life, less residual value rather than over their unexpired lease term, as it is more than likely that the current lease agreement will be renewed. At the date of this financial report no advice to the contrary has been forthcoming from the lessor (Queensland Government Department of Natural Resources and Mines).

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 its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or 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(f) for details of impairment).

Plant and equipment 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.

Depreciation

The depreciable amount of all fixed assets, including leasehold improvements is depreciated on a straight line basis over the asset's useful life to the club commencing from the time the asset is held ready for use.

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

Class of fixed asset	Depreciation %
Leasehold improvement - clubhouse	2.5
Plant and equipment	15 - 33.3
Furniture and equipment	10 - 25
Gaming machines	20 - 40
Motor vehicles	25

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 recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

CALOUNDRA POWER BOAT CLUB LTD

ABN: 73 010 018 934

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

(d) Leases

The club as lessee

At inception of a contract, the club assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the club where the club is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets (under \$5k) are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the club uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the club anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Concessionary leases

For leases that have significantly below-market terms and conditions principally to enable the club to further its objectives (commonly known as peppercorn/concessionary leases), the club has adopted the temporary relief under AASB 2018-8 and measures the right of use assets at cost on initial recognition.

(e) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the club becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the club commits itself to either the purchase or the sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15: *Revenue from Contracts with Customers*.

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

(e) Financial instruments...continued

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit and loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit-taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

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

(e) Financial instruments...continued

The club initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial measurement of financial instruments at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the club made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the club’s accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder’s contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the club no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

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

(e) Financial instruments...continued

On derecognition of an investment in equity that the club elected to classify as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The club recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amount due from customers under contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The club uses the following approaches to impairment, as applicable under AASB 9: *Financial Instruments*:

- the general approach;
- the simplified approach;
- the purchased or originated credit-impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the club assesses whether the financial instruments are credit-impaired, and:

- if the credit risk of the financial instrument has increased significantly since initial recognition, the club measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there has been no significant increase in credit risk since initial recognition, the club measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivable; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Purchased or originated credit-impaired approach

For a financial assets that are considered to be credit-impaired (not on acquisition or originations), the club measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);
- a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- the likelihood that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the club assumes that the credit risk has not increased significantly since initial recognition and, accordingly, it can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the club applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

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

(e) Financial instruments...continued

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the club recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(f) Impairment of assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(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) Trade and Other Debtors

Trade and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. 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.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

(i) Employee benefits

Short-term employee benefits

Provision is made for the club's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The club's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

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

(i) Employee benefits...continued

Other long-term employee benefits

The club classifies employees' long service leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the club's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The club's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the club does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

(j) Goods and services tax (GST)

Revenues, 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 (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(k) Income tax

The club adopts the principles of tax-effect accounting.

In assessing its income tax liability, the club applies the principle of mutuality to its revenue and expenses. Revenue from members represents mutual income and is not subject to income tax. Such expenses associated with the mutual activities are not deductible for income tax purposes. All other receipts and payments of the club are classified for income tax purposes in accordance with income tax legislation.

Income tax expense is calculated on the operating result at current taxation rates. A permanent difference due to mutual activities with members and the benefit of accumulated tax losses, where required, result in the income tax expense of the club being reduced to nil (last year: nil).

The future income tax benefit relating to timing differences and any future income tax benefit relating to tax losses are not carried forward unless the benefits are virtually certain of being realised.

(l) Provisions

Provisions are recognised when the club 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. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(m) Comparative figures

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

(n) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the club during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(o) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the club.

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

(o) Critical accounting estimates and judgements...continued

Key estimates

(i) *Impairment*

The club assesses impairment at the end of each reporting period by evaluating conditions and events specific to the club that may be indicative of impairment triggers.

(ii) *Useful lives of property, plant and equipment*

As described in Note 1(c), the club reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Key judgements

(i) *Performance obligations under AASB 15*

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

(ii) *Lease term and Option to Extend under AASB 16*

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the club will make. The club determines the likeliness to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the club.

(iii) *Employee benefits*

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the club expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows (despite an informal internal policy that requires annual leave to be used within 18 months), the directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

(p) Fair value of assets and liabilities

The club 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 club 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.

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 regard 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. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the club at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

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 its highest and best use.

The fair value of liabilities and the club’s own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where 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.

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

(q) New and Amended Accounting Standards Adopted by the Entity

AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments

The Entity adopted AASB 2020-3 which makes some small amendments to a number of standards including the following: AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 and AASB 141.

The adoption of the amendment did not have a material impact on the financial statements.

AASB 2021-7a: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

AASB 2020-7a makes various editorial corrections to a number of standards effective for reporting periods beginning on or after 1 January 2022. The adoption of the amendment did not have a material impact on the financial statements.

AASB 2022-3: Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15

AASB 2022-3 amends the Australian illustrative examples for not-for-profit entities accompanying AASB 15 Revenue from Contracts with Customers to illustrate how AASB 15 applies to the recognition and measurement of upfront fees. The amendments do not change the requirements of AASB 15.

The Basis for Conclusions also document the Board's decision to retain the accounting policy choice on an ongoing basis for NFP private sector lessees to elect to initially measure a class of ROU assets arising under concessionary leases at cost or at fair value.

The adoption of the amendment did not have a material impact on the financial statements.

	This Year \$	Last Year \$
2. <u>Auditor's remuneration</u>		
Auditing	13,890	12,600
Other	2,620	3,000
Total	<u>16,510</u>	<u>15,600</u>
3. <u>Cash assets</u>		
Cash on hand	179,500	179,500
Cash at bank (NAB)	1,932,734	1,897,471
Total	<u>2,112,234</u>	<u>2,076,971</u>
4. <u>Receivables</u>		
Trade debtors	225,041	97,853
Less: provision for doubtful debts	600	0
	<u>224,441</u>	<u>97,853</u>
Other receivables	2,137	333
Total	<u>226,578</u>	<u>98,186</u>
5. <u>Inventories</u>		
Beverage	55,939	49,660
Food	34,606	45,546
Other	3,329	1,734
Total	<u>93,873</u>	<u>96,939</u>
6. <u>Other assets</u>		
Prepayments	70,971	68,689
Total	<u>70,971</u>	<u>68,689</u>

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

	This Year \$	Last Year \$
7. <u>Property, plant and equipment</u>		
Leasehold improvements	3,564,011	3,051,245
Less: accumulated depreciation	<u>1,702,577</u>	<u>1,629,750</u>
	1,861,434	1,421,494
Plant and equipment	5,307,580	5,236,575
Less: accumulated depreciation	<u>4,068,637</u>	<u>4,190,971</u>
	1,238,943	1,045,603
Motor vehicles	82,022	82,022
Less: accumulated depreciation	<u>23,764</u>	<u>12,123</u>
	58,258	69,899
Works in progress	192,735	80,182
Total	<u><u>3,351,370</u></u>	<u><u>2,617,179</u></u>

(a) Valuation policy:

Plant and equipment - Peter J Strophair & Assoc Registered Valuers conducted on 9 March 2000.

Leasehold improvements (clubhouse) - Burgess Rawson Registered Valuers conducted on 19 March 1999.

All purchases since the valuations are reported at cost.

(b) Movement in the reported values are as follows:

<u>This year</u>	Leasehold improvements	Plant & equipment	Motor vehicles	WIP	Total
Opening balance - WDV	1,421,494	1,045,603	69,899	80,182	2,617,179
Additions	512,767	386,354	0	112,553	1,011,674
Disposals	0	(1,963)	(600)	0	(2,564)
Depreciation and amortisation	<u>(72,827)</u>	<u>(191,051)</u>	<u>(11,041)</u>	<u>0</u>	<u>(274,919)</u>
Closing balance - WDV	1,861,434	1,238,943	58,258	192,735	3,351,370

8. Right of use assets and lease liabilities

Assets

Right of use assets	747,021	1,339,729
Less: accumulated depreciation	<u>71,590</u>	<u>61,404</u>
Total	<u><u>675,432</u></u>	<u><u>1,278,325</u></u>

(a) Movement in the reported values are as follows:

Opening balance - WDV	1,278,325	172,981
Additions	0	1,171,072
Revaluation	(592,708)	0
Depreciation	<u>(10,185)</u>	<u>(65,729)</u>
Closing balance - WDV	<u><u>675,432</u></u>	<u><u>1,278,325</u></u>

Lease liabilities:

Current	24,550	24,560
Non-current	678,535	1,294,650
Total	<u><u>703,085</u></u>	<u><u>1,319,210</u></u>

Note:

ROU asset includes the club leasehold land with the Queensland Government Department of Natural Resources & Mines, which is due to expire on 23 August 2041.

Last year the ROU asset and lease liability were calculated using a 5% annual rental increase until 2041. The actual rental decreased during 2022-23, so it was resolved to revalue the asset and liability during the current year to reflect actual rentals going forward. The revaluation resulted in a reduction of \$589k in ROU asset and lease liability and had no effect on current year's profit.

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

	Year	Year
	\$	\$
9. Payables		
Trade creditors	323,474	245,425
Accrued charges	274,645	299,995
Income in advance	339,483	193,277
Total	937,601	738,698
10. Borrowings		
<i>Current:</i>		
Secured loan (QRIDA) - COVID19 working capital loan	32,785	2,716
	32,785	2,716
<i>Non-current:</i>		
Secured loan (QRIDA) - COVID19 working capital loan	214,498	247,284
	214,498	247,284
Total	247,284	250,000
Note:		
(a) Borrowings are classified as current liabilities unless the club has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.		
(b) National Australia Bank Ltd (NAB): NAB holds security over all club assets.		
(c) Queensland Rural and Industry Development Authority (QRIDA): QRIDA holds security over all club property.		
11. Provisions		
<i>Current:</i>		
Provision for annual leave	139,258	134,924
Provision for time in lieu	18,619	33,588
Provision for long service leave	70,867	71,290
	228,744	239,802
<i>Non-current:</i>		
Provision for long service leave	83,416	58,422
	83,416	58,422
Total	312,160	298,225
(a) Analysis of total provisions:		
Opening balance	298,225	244,773
Additional provisions raised during year	157,292	146,296
Amounts used	(143,356)	(92,844)
Closing balance	312,160	298,225
(b) Provision for employee benefits		
Provision for employee benefits represents amounts accrued for annual leave and long service leave. The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the club does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the club does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.		
The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.		
In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(i)		

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

	This Year \$	Last Year \$
12. <u>Future commitments</u>		
(a) Non-cancellable operating leases and rental agreements contracted for but not capitalised in the financial statements: <i>Payable - minimum lease payments:</i>		
Less than one year	140,600	136,654
Greater than one year less than five years	281,199	403,200
Greater than five years	0	0
Minimum lease payments	<u>421,799</u>	<u>539,854</u>
Note:		
The above non-cancellable service agreements are for machine gaming monitoring.		
(b) Non-cancellable capital commitments contracted for the amenities refurbishment but not capitalised in the financial statements:		
Payable less than one year	255,280	0
Minimum lease payments	<u>255,280</u>	<u>0</u>

13. Related party transactions

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the club, directly or indirectly, including any director (whether executive or otherwise) and the club managers (Caloundra Sub-Branch RSL Services Club Inc) is considered key management personnel.

(a) Club manager - Caloundra Sub-Branch RSL Services Club Inc:		
- Management fees	310,287	310,287
The Club has engaged Caloundra Sub-Branch RSL Services Club Inc to manage all of its operations.		
(b) Directors' remuneration:		
- Reimbursement of out of pocket expenditure and provision of amenities	9,906	6,546
- Insurance	6,105	3,600

Directors of the board in their honorary capacity receive no remuneration for their services however, from time to time, they are provided with refreshments and are reimbursed for club related out of pocket expenditure. In addition, the club takes out insurance cover which insures the board against breaches of statutory and other obligations.

Total	<u>326,298</u>	<u>320,433</u>
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14. Financial risk management

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

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

<u>Financial assets</u>	Note		
Cash and cash equivalents	3	2,112,234	2,076,971
Loans and receivables	4	226,578	98,186
Total financial assets		<u>2,338,812</u>	<u>2,175,158</u>

Financial liabilities

Financial liabilities at amortised cost:

- trade and other payables	9	598,119	545,420
- leases	8	703,085	1,319,210
- borrowings	10	247,284	250,000
Total financial liabilities		<u>1,548,487</u>	<u>2,114,630</u>

15. Members' guarantee

The club is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the club. At 30 June 2023, the number of members was 15,144 (2022: 15,536).

CALOUNDRA POWER BOAT CLUB LTD

ABN: 73 010 018 934

**DIRECTORS DECLARATION
FOR THE YEAR ENDED 30 JUNE 2023**

In accordance with a resolution of the directors of Caloundra Power Boat Club Ltd (*the club*), the directors of the club declare that:

1. The financial statements and notes satisfy the requirements of the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards – Simplified Disclosures applicable to the club; and
 - b. give a true and fair view of the financial position of the club as at 30 June 2023 and of its performance for the year ended on that date.
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.



Alan Keates PSM, OAM, FLGMA Ret'd

8 SEPTEMBER 2023
Date

Caloundra Queensland 4551

CALOUNDRA POWER BOAT CLUB LTD
ABN: 73 010 018 934

2023 Independent Auditor's Report to the Members of Caloundra Power Boat Club Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Caloundra Power Boat Club Ltd (*the club*), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the club is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the club's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and the Corporations Regulations 2001.

Basis for Opinion

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

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

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

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

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

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

CALOUNDRA POWER BOAT CLUB LTD

ABN: 73 010 018 934

2023 Independent Auditor's Report to the Members of Caloundra Power Boat Club Ltd...continued

Responsibilities of the Directors for the Financial Report

The directors of the club are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities 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 club'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 entity 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.

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 club'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 club'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 club 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the club audit. We remain solely responsible for our audit opinion.

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.



Brett J Buntain
Managing Director
RCA No. 213172

Date: 8 September 2023

CALOUNDRA POWER BOAT CLUB LTD

ABN: 73 010 018 934

AUDITOR'S DISCLAIMER FOR THE YEAR ENDED 30 JUNE 2023

The following supporting schedules were prepared from the club's accounting and financial records from which our audit was conducted. Furthermore, the supporting schedules were prepared by the Board of Directors in order to supplement the foregoing audited financial statements for the year ended 30 June 2023. Therefore it would be appreciated if readers of these financial statements take note that as no audit work was performed on the supporting schedules no audit opinion is provided on same.

In accordance with our firm policy, we advise that neither the firm nor any other member or employee of the firm undertakes responsibility arising in any way whatsoever to any person in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.



SUPPORTING SCHEDULES

	This Year \$	Last Year \$
BEVERAGE TRADING		
Income		
Sales	2,064,696	1,727,305
	<u>2,064,696</u>	<u>1,727,305</u>
Less cost of goods sold	691,435	593,134
	<u>1,373,261</u>	<u>1,134,171</u>
Gross profit/(loss)	1,373,261	1,134,171
GP%	66.5%	65.7%
Less direct costs	483,868	414,605
	<u>889,393</u>	<u>719,566</u>
Net profit/(loss)	889,393	719,566
NP%	43.1%	41.7%
CATERING TRADING		
Income		
Sales	3,349,562	2,810,570
	<u>3,349,562</u>	<u>2,810,570</u>
Less cost of goods sold	1,144,968	956,965
	<u>2,204,594</u>	<u>1,853,605</u>
Gross profit/(loss)	2,204,594	1,853,605
GP%	65.8%	66.0%
Less direct costs	1,528,375	1,353,950
	<u>676,219</u>	<u>499,655</u>
Net profit/(loss)	676,219	499,655
NP%	20.2%	17.8%
GAMING MACHINE TRADING		
Income		
Net clearances	3,237,017	3,049,267
Less direct costs		
Monitoring fees	140,600	136,114
Other	571,628	490,467
Taxes and levies	751,148	699,004
	<u>1,463,376</u>	<u>1,325,585</u>
Net profit/(loss)	1,773,641	1,723,682
NP%	54.8%	56.5%

CALOUNDRA POWER BOAT CLUB LTD

ABN: 73 010 018 934

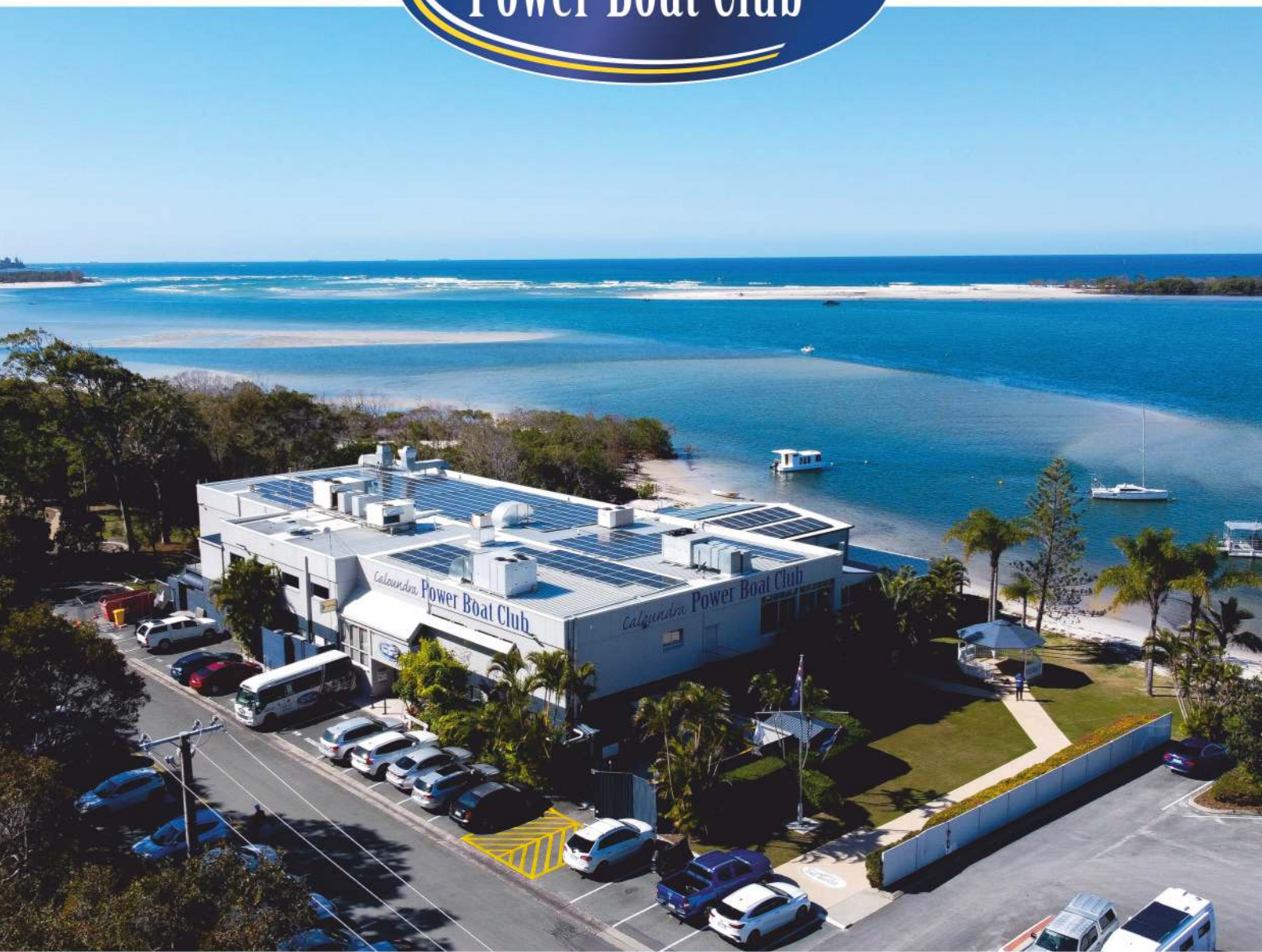
**SUPPORTING SCHEDULES
FOR THE YEAR ENDED 30 JUNE 2023**

	This Year \$	Last Year \$
KENO TRADING		
Commission	69,820	61,249
Less direct costs	16,909	22,284
Net profit/(loss)	<u>52,910</u>	<u>38,966</u>
OTHER INCOME		
Commissions	44,365	41,435
Interest received	28,374	0
Membership	49,483	50,318
Net profit on disposal of property, plant & equipment	0	17,864
Other income	92,393	104,146
Raffle income (net)	28,691	6,764
Total	<u>243,306</u>	<u>220,528</u>
OTHER EXPENSES		
Accounting fees - BDO's	5,620	3,960
Bank charges	34,353	26,605
Cleaning	195,900	169,856
Courtesy bus	22,310	29,401
Donations	85,053	97,931
Doubtful debts expense/(recovered)	1,521	(8,848)
Entertainment, advertising and promotions	133,767	141,784
Insurance	139,264	113,980
Management consultancy	310,287	310,287
Occupancy costs	133,288	135,565
Other expenses	191,833	144,371
Printing and stationery	29,194	15,228
Repairs and maintenance	98,412	121,273
Telephone	7,122	9,126
Total	<u>1,387,925</u>	<u>1,310,519</u>
TOTAL WAGES AND ONCOSTS		
<i>Trading activities:</i>		
- Wages	1,742,887	1,362,076
- Superannuation	174,934	152,623
	<u>1,917,821</u>	<u>1,514,698</u>
<i>Administration:</i>		
- Wages	903,808	877,234
- Superannuation	84,841	84,025
- Payroll tax	135,820	126,947
- Work cover insurance	79,023	73,950
	<u>1,203,491</u>	<u>1,162,156</u>
Total	<u>3,121,312</u>	<u>2,676,854</u>

B L A N K P A G E



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