

CORONATION CLUB LIMITED
ACN: 000 191 659
(A Company Limited by Guarantee)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER, 2023

HARLEY, RUSSELL & DAY
Chartered Accountants

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CORONATION CLUB LIMITED

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FINANCIAL STATEMENTS 31ST DECEMBER, 2023

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CORONATION CLUB LIMITED

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DIRECTORS' REPORT

Your directors present their report on the Club for the financial year ended 31st December, 2023.

Directors

The Directors of the Company in office at any time during the year and up to the date of this report are:

Alan Brian Whelpton AO	Graeme Arthur Day	Jason Shane Adam Green	Wilson Varghese
Ronald Joseph Lumello	Andrew Thompson	Jack Harvey Stewart	

COMPANY SECRETARY

Andrew Taylor was appointed Company Secretary on the 1st July 2023. Mr. Taylor was previously employed by the Club in a management position.

OPERATING RESULTS

The operating loss after income tax of the Club amounted to \$415,949 (2022: Loss \$1,004,815), after income tax expense of \$NIL (2022 income tax expense: \$NIL) and depreciation and amortization of \$539,531 (2022: \$656,762).

PRINCIPAL ACTIVITIES

The principal continuing activity of the Company consisted of: Maintaining a Licensed Club for Members.

DIRECTORS

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

	<i>Name</i>	<i>Qualifications and Experience</i>
1)	Alan Brian Whelpton AO President	Director of the Club for 44 years. Retired company managing director. Life Governor of Surf Life Saving Australia and International Life Saving Federation. Member of the Selection Committee for Sport Australia Hall of Fame.
2)	Andrew Thompson Deputy President	Director of the Club for 14 years. Retired accountant.
3)	Graeme Arthur Day Director	Director of the Club for 12 years. Former owner of news agencies & bookshops. Now consults to small business, specializing in business performance analysis.
4)	Jason Shane Adam Green Director	Director of the Club for 4 years. Over 10 years senior experience within international hospitality establishments. Service Advisor at Sydney Water.
5)	Ronald Joseph Lumello Director	Director of the Club for 10 years. Has owned and operated a home furnishings business on Burwood Road, Burwood for 42 years.
6)	Wilson Varghese Director	Director of the Club for 13 years. Proprietor of Indian restaurants since 1989.
7)	Jack Harvey Stewart Director	Director of the Club for 2 years. Managing Director of a Construction Company.

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

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DIRECTORS' REPORT

MEMBERS

The number of Members of the Club registered in the Register of Members at the date of this report is 1,343 (2022 – 819), an increase of 63.9%.

	<u>2023</u>	<u>2022</u>
Associate	1,248	749
Life	8	7
Full	<u>87</u>	<u>63</u>
	<u>1,343</u>	<u>819</u>

SIGNIFICANT CHANGES

During the year, there was no significant change in the nature of the principal activities of the Company.

REVIEW OF OPERATIONS

Movements in significant items of Revenue are as follows:-

	<u>2023</u>	<u>2022</u>	<u>Increase/ (Decrease)</u>	<u>Percentage %</u>
Poker Machine Turnover	1,533,484	1,730,980	(197,496)	(11.40)
Bar Sales	318,418	246,230	72,188	29.31
Restaurant & Cafe Sales	894,574	674,255	220,319	32.67
Total Operating Expenses	3,075,247	2,748,966	326,281	11.86

KEY PERFORMANCE INDICATORS

	<u>2023</u>	<u>2022</u>
	<u>%</u>	<u>%</u>
Bar		
Gross Profit Percentage	61.0	60.9
Percentage of Total Revenue	6.6	8.4
Poker Machines		
Percentage of Total Revenue	53.0	59.2
Restaurant & Cafe		
Gross Profit Percentage	58.8	55.7
Percentage of Total Revenue	30.6	19.6
Total Number of Employees	25	22

INFORMATION ON DIRECTORS

Directors' Meetings

Director	Meetings Eligible to Attend *	Meetings Attended
Alan Brian Whelpton AO	12	12
Andrew Thompson	12	11
Graeme Arthur Day	12	8
Jason Shane Adam Green	12	11
Ronald Joseph Lumello	12	12
Wilson Varghese	12	10
Jack Harvey Stewart	12	9

* Number of meetings held during the time the Director held office during the year.

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DIRECTORS' REPORT

OBJECTIVES

Short term

1. To remain proactive in dealing with continually changing industry legislation.
2. To increase Club membership.
3. To continue to support local junior sports through our association with Briars Sports Club.
4. To remain financially stable.

Long Term

1. To maintain members facilities inline with current trends and member expectations.
2. To continue to provide the members and community with a modern venue.
3. To remain profitable through the efficient management of the Club's Financial Portfolio.
4. To ensure the long term viability of the Club.

The entity strategies for achieving the short- and long-term objectives were:

1. Promoting the Club's presence through marketing and social media.
2. Increasing Club membership to ensure the Club's revenue stream continues to grow.
3. Ensuring the Club's Human Resources remain trained and aware of legislation changes.
4. Ensuring the Gross Profit on Food and Beverage remain at industry standard.

How these activities assist in achieving the objectives

The activities carried out by the Club during the year assisted in achieving the Club's objectives by ensuring that the Club's income streams remained consistent. The completion of upgrading facilities also added to the Club's ability to achieve its ongoing objectives.

Performance measurement and key performance indicator

Performance is assessed regularly against relevant internal and industry benchmarks enabling assessment as to whether strategic initiatives have been effective in achieving company short- and long-term objectives. To further ensure the Club's objectives are being met the following performance measures are in place:

Key Performance Indicators are monitored in areas such as beverage, gaming and human resource costs.

Industry comparisons are also reviewed on a monthly basis.

Overall business EBITDA is reviewed on a monthly basis.

Club objectives are also reviewed to measure as to whether they are being met within reasonable timeframes.

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DIRECTORS' REPORT

MEMBERS' LIABILITY

In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$7.00 per member in the event of the winding up of the company during the time that he/she is a member or within one year thereafter. The total amount that members of the Club are liable to contribute if the Club is wound up is \$9,401 (2022: \$5,733).

AUDITOR'S INDEPENDENT DECLARATION

The Auditor's Independent Declaration for the year ended 31st December, 2023 has been received and can be found on page 5 of this report.

Dated at Burwood this 19th day of February 2024

In accordance with a resolution of the Directors

.....
ALAN BRIAN WHELPTON AO
President

.....
ANDREW THOMPSON
Deputy President

CORONATION CLUB LIMITED

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AUDITOR'S INDEPENDENT DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF CORONATION CLUB LIMITED

In accordance with s 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Coronation Club Limited. As the audit partner for the audit of the financial report of Coronation Club Limited for the year ended 31st December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit, and
- (ii) Any applicable code of professional conduct in relation to the audit.

DATED AT BURWOOD
THIS 15TH DAY OF
FEBRUARY 2024

.....
HARLEY, RUSSELL & DAY
Chartered Accountants

GARRY WILLIAM DAY
Registered Company Auditor

CORONATION CLUB LIMITED

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PROFIT & LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2023

	Notes	2023 \$	2022 \$
Revenue from Continuing Operations			
Sale of Goods	4	1,212,992	920,485
Rendering of services	4	1,535,829	1,738,572
Other Revenue	4	171,976	262,887
Total Revenue from continuing operations		2,920,797	2,921,944
Operating Expenses			
Cost of Sales		(492,410)	(448,386)
Donations		-	(7,116)
Directors' expenses	16	-	-
Employment Benefits expenses		(1,775,337)	(1,600,144)
Entertainment, marketing and promotional costs		(164,053)	(146,347)
Poker machine licences and taxes		(214,430)	(245,304)
Occupancy expenses		(147,569)	(119,329)
Other expenses from ordinary activities		(281,448)	(182,340)
Total Expenses		(3,075,247)	(2,748,966)
Operating Profit/(Loss) before borrowing costs, tax, depreciation and amortisation		(154,450)	172,978
Depreciation and amortisation		(539,531)	(656,762)
Borrowing costs		-	-
Profit/(Loss) before Income Tax		(693,981)	(483,784)
Income tax expense relating to ordinary activities		-	-
Profit/(Loss) from continuing operations after Income Tax		(693,981)	(483,784)
Other Comprehensive Income/(Loss)	21	278,032	(521,031)
Total Comprehensive Profit/(Loss) for the year		(415,949)	(1,004,815)

Notes to and forming part of the accounts are to be read in conjunction with this report.

CORONATION CLUB LIMITED

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STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2023

	Notes	2023 \$	2022 \$
CURRENT ASSETS			
Cash and cash equivalents	5	142,391	509,705
Trade debtors and other receivables	6	48,348	58,044
Inventories	7	33,485	31,280
TOTAL CURRENT ASSETS		224,224	599,029
NON-CURRENT ASSETS			
Financial Assets	8	3,078,200	2,956,673
Property, Plant & Equipment	9	10,732,554	10,991,757
Intangibles	10	143,010	143,010
Right-of-Use Assets	11	712,152	849,417
TOTAL NON-CURRENT ASSETS		14,665,916	14,940,857
TOTAL ASSETS		14,890,140	15,539,886
CURRENT LIABILITIES			
Trade and Other Payables			
Creditors and Accruals	12	104,062	94,804
Borrowings	14	387,445	333,783
Provisions	15	66,834	93,678
TOTAL CURRENT LIABILITIES		558,341	522,265
NON-CURRENT LIABILITIES			
Borrowings	14	480,685	750,558
Provisions	15	-	-
TOTAL NON-CURRENT LIABILITIES		480,685	750,558
TOTAL LIABILITIES		1,039,026	1,272,823
NET ASSETS		13,851,114	14,267,063
MEMBERS' EQUITY		13,851,114	14,267,063

Notes to and forming part of the accounts are to be read in conjunction with this report.

CORONATION CLUB LIMITED

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2023

	2023	2022
	\$	\$
NOTE 1.		
Total equity at the beginning of the financial year	14,267,063	15,271,878
Total changes in equity, recognised in the Income Statement	<u>(415,949)</u>	<u>(1,004,815)</u>
Total Equity at the end of the financial year	<u><u>13,851,114</u></u>	<u><u>14,267,063</u></u>

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2023

	Notes	2023	2022
		\$	\$
NOTE 2.			
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		3,068,767	2,981,694
Payments to suppliers and employees		(2,951,417)	(2,503,898)
Interest received		1,140	1,629
Managed fund distributions received		<u>128,307</u>	<u>208,122</u>
NET CASH INFLOW FROM OPERATING ACTIVITIES		<u><u>246,797</u></u>	<u><u>687,547</u></u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(280,328)	(22,049)
Purchase of right-of-use assets		<u>(117,572)</u>	<u>-</u>
		<u><u>(397,900)</u></u>	<u><u>(22,049)</u></u>
CASH FLOW FROM FINANCING ACTIVITIES			
Borrowing increase for RO.U. asset		117,572	-
Repayment of borrowings		<u>(333,783)</u>	<u>(333,683)</u>
NET CASH GENERATED FROM FINANCING ACTIVITIES		<u><u>(216,211)</u></u>	<u><u>(333,683)</u></u>
Net increase/(decrease) in cash held		(367,314)	331,815
Cash at the beginning of the financial year	5	<u>509,705</u>	<u>177,890</u>
Cash at the end of the financial year	5	<u><u>142,391</u></u>	<u><u>509,705</u></u>

Notes to and forming part of the accounts are to be read in conjunction with this report.

CORONATION CLUB LIMITED

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NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 2023

NOTE 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Coronation Club Limited is a Company Limited by Guarantee and incorporated and domiciled in Australia. Coronation Club Limited is a not-for-profit entity for the purpose of preparing the financial report.

The principal activities of the Company consist of maintaining and operating a social club and its associated activities.

Registered Office:

C/- Harley, Russell & Day
Suite 16
2 Catherine Street
ROCKDALE NSW 2216

Principal Place of Business:

86 Burwood Road,
BURWOOD NSW 2134

BASIS OF PREPARATION

Coronation Club Limited financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Simplified Disclosures. This includes compliance with the recognition and measurement requirements of all Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the disclosure requirements of AASB 1060 General Purpose Financial Statements - Simplified Disclosures for Not-for-Profit Tier 2 Entities.

The financial report of the company was prepared in accordance with Australian Accounting Standards - Simplified Disclosures. The 2022 and prior year financial reports were prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements. The transition from the previous financial reporting framework to Australian Accounting Standards - Simplified Disclosures has not affected Coronation Club Limited reported financial position, financial performance, and cash flows.

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 have been rounded to the nearest dollar.

ACCOUNTING POLICIES

a) Revenue Recognition

Sales Revenue

Sales Revenue comprises revenue earned from the provision of catering, beverage, and poker machine facilities to members and other patrons of the Club. Sales revenue is recognised when the goods and services are provided.

Asset Sales

The gross proceeds of asset sales are included as revenue of the entity. The profit or loss on disposal of assets is brought to account at the date an unconditional contract of sale is signed.

Interest Income

Interest income is recognised as it accrues.

b) Principal Activities

The Club operates as a Registered Club.

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NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 2023

NOTE 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont.)

c) Property, Plant & Equipment

Property, plant and equipment are included at cost or at an independent valuation. All fixed assets, including buildings and capitalised leases, but excluding freehold land, are depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

d) Leases

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of these assets, but not legal ownership are transferred to the lessee, are classified as **finance leases**. Finance leases are capitalised recording an asset and liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Lease assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease charges taken to expense for the period in accordance with AASB 117: Leases.

Other leases are classified as **operating leases**. Minimum lease payments made under operating leases are charged as an expense in equal instalments over the accounting periods covered by the lease term.

Commencing 1st January 2019, a new lease standard (AASB 16: Leases) was introduced. In the past **operating leases**, where substantially all the risks and benefits remained with the lessor, were treated as off-balance sheet transactions, where lease payments are charged as expense in the period in which they occurred, but under the new standard are required to be reported on-balance sheet. The lease cost which is the initial amount of the lease liability at present value plus any direct costs, if applicable, is recognised in the financial accounts as a “right-of-use” asset with an off-setting lease liability. The right-of-use asset is subsequently depreciated over the term of the lease or useful life on a straight-line basis. The lease liability at present value is reduced by the period lease payments made to the lessor, and the interest component of these payments charged to the P&L. Right-of-use assets are reported in property, plant and equipment and lease liabilities in financial liabilities.

Coronation Club Limited has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets or short-term leases. Lease payments associated with these leases are expensed on a straight-line basis over the lease term.

e) Depreciation and Amortisation

Depreciation is provided on property, plant and equipment but excluding freehold land. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life. Freehold land has not been depreciated. The directors consider that the adoption of this policy would be inappropriate and the effect of this departure is immaterial to the Company’s accounts.

The following rates of depreciation are used in the calculation for depreciation:

Bar Equipment	25%	Furniture & Fittings	20%
Bistro	20%	Plant & Equipment	20%
Poker Machines	33 1/3%		

f) Trade and other payables

These amounts represent liabilities for goods and services provided to the club prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

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NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 2023

NOTE 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont.)

g) Maintenance and repairs

The costs of maintenance, repairs and minor renewals are charged as expenses as incurred.

h) Employee Entitlements

(i) *Wages and salaries, annual leave and sick leave*

Liabilities for wages and salaries, annual leave and sick leave are recognised and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

(ii) *Long service leave*

A liability for long service leave is recognised for all employees of the club with ten years or more service. No adjustment is made for inflation of wage rates or discounting of expected future payments as the net effect is not expected to be material.

(iii) *Superannuation*

The company sponsors the following plans for employees:

Club Plus Superannuation Fund, REST Superannuation, Australian Retirement Superannuation Fund.

Types of Benefits:

Accumulation of contributions of employees providing a lump sum or annuity benefits upon retirement, death or disability.

Contributions:

Employees 11% of base salary of employee.

The company has a legal obligation to contribute to this fund.

i) Segment Reporting

The business operates in the hospitality, leisure and entertainment industry in Australia.

j) Mutuality Principle

The company calculates its income in accordance with the mutuality principle which excludes from income, any amounts of subscriptions and contributes from members, and payments received from members for particular services provided by the club or association, e.g., Poker machines, bar and dining room service in the case of social clubs. The Commissioner of Taxation accepts this method of calculating income as appropriate for recognised clubs and associations.

Following the Full Federal Court decision in *Coleambally Irrigation Mutual Co-operative Limited v FCT* [2004] FCAFC 250, Tax Laws Amendment (2005 Measures No. 6) Bill 2005 was tabled in Parliament on 7 December 2005 to amend the Income Tax Assessment Act 1997 to restore the long standing benefits of the mutuality principle to those non-profit organisations affected by the *Coleambally* decision.

These amendments will ensure social clubs continue not to be taxed on receipts from contributions and payments received from members.

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NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 2023

NOTE 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont.)

k) Goods and Services Tax

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

Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

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

Cash flows are included in the statement of cash flows on a gross basis.

CORONATION CLUB LIMITED

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NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2023

4. REVENUE FROM CONTINUING OPERATIONS	2023	2022
	\$	\$
OPERATING ACTIVITIES		
<u>Sale of Goods Revenue</u>		
Bar - Sales	318,418	246,230
Restaurant - Sales	629,060	482,363
Café - Sales	265,514	191,892
	<u>1,212,992</u>	<u>920,485</u>
<u>Rendering Services</u>		
Poker Machine	1,533,484	1,730,980
Keno Commission	2,345	7,592
	<u>1,535,829</u>	<u>1,738,572</u>
<u>Other Revenue</u>		
Car Park	5,454	6,200
ATM & Tyro Commissions	5,814	5,649
GST Rebate	17,180	17,180
Interest	1,140	1,629
Managed Fund Distributions	128,307	208,122
Membership Subscriptions	14,081	24,107
	<u>171,976</u>	<u>262,887</u>
TOTAL REVENUE FROM OPERATIONS	<u>2,920,797</u>	<u>2,921,944</u>
5. CASH		
Cash on Hand	100,000	100,000
Cash at Bank	42,391	409,705
	<u>142,391</u>	<u>509,705</u>
6. RECEIVABLES		
Other Debtors	41,003	48,944
Prepayments	7,345	9,100
	<u>48,348</u>	<u>58,044</u>
7. INVENTORIES		
Finished Goods - at cost	<u>33,485</u>	<u>31,280</u>

Notes to and forming part of the accounts are to be read in conjunction with this report.

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NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2023

	2023	2022
	\$	\$
8. FINANCIAL ASSETS		
Investments in equity instruments designated as at fair value through other comprehensive income, previously carried at cost	3,078,200	2,956,673
	<u>3,078,200</u>	<u>2,956,673</u>
9. PROPERTY, PLANT & EQUIPMENT		
PROPERTY		
Land (at Valuation)		
84-88 Burwood Road, Burwood	2,800,000	2,800,000
42-44 Meryla Street, Burwood	600,000	600,000
	<u>3,400,000</u>	<u>3,400,000</u>
Buildings (at Valuation)		
84-88 Burwood Road, Burwood	6,500,000	6,500,000
<u>Less</u> Accumulated Depreciation	<u>(475,415)</u>	<u>(320,938)</u>
	<u>6,024,585</u>	<u>6,179,062</u>
42-44 Meryla Street, Burwood	1,000,000	1,000,000
<u>Less</u> Accumulated Depreciation	<u>(73,141)</u>	<u>(49,375)</u>
	<u>926,859</u>	<u>950,625</u>
TOTAL LAND & BUILDING	<u>10,351,444</u>	<u>10,529,687</u>
PLANT & EQUIPMENT (AT COST)		
Plant & Equipment	402,346	397,526
<u>Less</u> Accumulated Depreciation	<u>(177,651)</u>	<u>(127,432)</u>
	<u>224,695</u>	<u>270,094</u>
Furniture & Fittings	274,553	271,553
<u>Less</u> Accumulated Depreciation	<u>(123,623)</u>	<u>(86,433)</u>
	<u>150,930</u>	<u>185,120</u>
Poker Machines	10,000	10,000
<u>Less</u> Accumulated Depreciation	<u>(4,515)</u>	<u>(3,144)</u>
	<u>5,485</u>	<u>6,856</u>
TOTAL PLANT & EQUIPMENT	<u>381,110</u>	<u>462,070</u>
TOTAL PROPERTY PLANT & EQUIPMENT	<u>10,732,554</u>	<u>10,991,757</u>

Notes to and forming part of the accounts are to be read in conjunction with this report.

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NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2023

9. PROPERTY, PLANT & EQUIPMENT (CONT.)

Core Assets

Pursuant to Section 41J(2) of the Registered Clubs Act 1976, the Club is required to notify its members of the Club's core and non-core property in each financial year. Core property is specified as the Club's strata unit Lot 10, 84-88 Burwood Road, Burwood.

For the previous year Land & Building were not separated nor were the buildings depreciated.

Movements in Carrying Amounts

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

2023	Land & Building \$	Poker Machine \$	Plant & Equipment \$	Furniture & Fittings \$	Total \$
Opening Balance	10,529,687	6,856	270,094	185,120	10,991,757
Acquisitions	-	-	4,820	3,000	7,820
Transfer out & write off	-	-	-	-	-
Depreciation	(178,243)	(1,371)	(50,219)	(37,190)	(267,023)
Closing Balance	<u>10,351,444</u>	<u>5,485</u>	<u>224,695</u>	<u>150,930</u>	<u>10,732,554</u>

	2023 \$	2022 \$
10. INTANGIBLE ASSETS		
Poker machine entitlements (at cost)	<u>143,010</u>	<u>143,010</u>
11. RIGHT-OF-USE ASSETS		
Poker machine gaming services agreement with Tabcorp Gaming Solutions (NSW) Pty Ltd	1,634,047	1,516,475
<u>Less</u> Provision for Amortisation	<u>(921,894)</u>	<u>(667,058)</u>
	<u>712,153</u>	<u>849,417</u>
12. TRADE CREDITORS AND OTHER PAYABLES		
Trade Creditors	51,511	22,696
Membership Fees in Advance	2,128	3,794
GST	42,337	57,805
Other	8,086	10,509
	<u>104,062</u>	<u>94,804</u>

Notes to and forming part of the accounts are to be read in conjunction with this report.

CORONATION CLUB LIMITED

ACN: 000 191 659

(A Company Limited by Guarantee)

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2023

	2023	2022
	\$	\$
13. PROVISION FOR INCOME TAX	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
14. BORROWINGS		
Rental Agreement Commitments		
(i) Non-cancellable rental license agreements contracted and capitalised in the financial statements for Max Gaming poker machine service agreement.		
Current Liability		
Payable within 1 year	<u>387,445</u>	<u>333,783</u>
TOTAL CURRENT PAYABLE	<u><u>387,445</u></u>	<u><u>333,783</u></u>
Non-Current Liability		
Payable within 1-2 years	<u>480,685</u>	<u>333,682</u>
Payable later than 2 years but not earlier than 5	<u>-</u>	<u>416,876</u>
	<u><u>480,685</u></u>	<u><u>750,558</u></u>
<p>As stated in Note 10 the Right-Of-Use Asset, being the lease of the poker machines under a non-cancellable service agreement, has been offset by the corresponding lease liability.</p>		
15. PROVISIONS		
- Provision for - Gaming Tax	<u>20,200</u>	<u>41,170</u>
- Provision for - Club Grants	<u>3,707</u>	<u>8,060</u>
- Provision for - Holiday Pay	<u>42,927</u>	<u>44,448</u>
	<u><u>66,834</u></u>	<u><u>93,678</u></u>
EMPLOYEE ENTITLEMENTS		
Current Liability		
- Provision for Holiday Pay	<u>42,927</u>	<u>44,448</u>
Non-Current Liabilities		
- Provision for Long Service Leave	<u>-</u>	<u>-</u>
Aggregate of total employee benefits	<u><u>42,927</u></u>	<u><u>44,448</u></u>

Notes to and forming part of the accounts are to be read in conjunction with this report.

CORONATION CLUB LIMITED

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NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2023

	2023	2022
	\$	\$
16. REMUNERATION OF DIRECTORS		
Number of directors whose remuneration was within the following bands:		
\$0 - \$10,000	<u>7</u>	<u>8</u>
Total number of directors:	<u><u>7</u></u>	<u><u>8</u></u>
Up to and not exceeding the honorariums agreed by resolution of the Directors at a prior Annual General Meeting, in the course of attending the Club and/or representing the Club in an official capacity.		
Directors were provided with meals and liquor on a complimentary basis. Out of pocket expenses were reimbursed by the Company.		
Honorariums	-	-
Expenses	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>
17. CONTINGENT LIABILITIES		
There were no contingent liabilities known up to the date of signing this report.	<u>-</u>	<u>-</u>
18. COMMITMENTS FOR CAPITAL EXPENDITURE		
There was no commitment for any contracted capital expenditure.	<u>-</u>	<u>-</u>
19. RELATED PARTY TRANSACTIONS AND THE REGISTERED CLUBS ACT REPORTING REQUIREMENTS		
Amount of related party transactions	<u>34,520</u>	<u>47,304</u>
The related party transaction amount listed above was paid to Renae Troy, the daughter of the outgoing Secretary Manager, for work in the bar area.		
The disclosure requirements under section 41 of the Registered Club Act 1976 and related party transactions are kept by the club and may be viewed by application in writing to the General Manager.		
20. POKER MACHINE ENTITLEMENT		
The company currently owns 29 Poker Machine licences. The value of these intangible assets, in accordance with accounting standards, is not recorded on the Balance Sheet. The current market value for each entitlement is estimated by your Directors for a block to be in the vicinity of \$60,000. This would make the value of the entitlements held by the Club to be in the vicinity of \$580,000.		

Notes to and forming part of the accounts are to be read in conjunction with this report.

CORONATION CLUB LIMITED

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(A Company Limited by Guarantee)

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2023

	2023 \$	2022 \$	
21. OTHER COMPREHENSIVE INCOME			
Shares and Investments			
- Investment portfolio increased as at 31st December 2023 to Market Value (originally recorded at cost) resulting in an increase/(decrease) in value of:	314,665	(570,235)	
Sale of Shares			
- Sale of shares and investments resulted in capital profit/(loss) on realisation:	(36,633)	49,204	
TOTAL OTHER COMPREHENSIVE INCOME	<u><u>278,032</u></u>	<u><u>(521,031)</u></u>	
22. KEY MANAGEMENT PERSONNEL COMPENSATION			
(a) Key Management Personnel			
Names and position held at key management personnel in office at any time during the financial year are:			
A. Whelpton AO	G. Day	J. Green	W. Varghese
R. Lumello	A. Thompson	J. Stewart	
(b) Other Key Management Personnel			
A. Taylor - Secretary Manager (Appointed 1st July 2023)			
C. Williams - Secretary Manager (Resigned 30th June 2023)			
(c) Key Management Personnel Compensation			
Payments made to Directors and other Key Management personnel in (a) and (b) above.	<u><u>239,091</u></u>	<u><u>271,700</u></u>	
23. AUDITOR'S REMUNERATION			
Auditing of Financials	17,000	16,000	
Other Services	-	-	
TOTAL REMUNERATION	<u><u>17,000</u></u>	<u><u>16,000</u></u>	
24. EVENTS AFTER THE REPORTING PERIOD			
Your Directors are not aware of any significant events since the end of the year and up to the date of signing this report.			

Notes to and forming part of the accounts are to be read in conjunction with this report.

CORONATION CLUB LIMITED

ACN: 000 191 659

(A Company Limited by Guarantee)

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 1 to 18 are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards - Simplified Disclosures and the Corporations Regulations 2001; and
 - (b) give true and fair view of the financial position as at 31st December 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 the company will be able to pay its debts as and when they become due and payable.

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

Dated at Burwood this 19th of February 2024
In accordance with a resolution of the Directors

.....
ALAN BRIAN WHELPTON AO
President

.....
ANDREW THOMPSON
Deputy President

CORONATION CLUB LIMITED

ACN: 000 191 659

(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT **TO THE MEMBERS OF** **CORONATION CLUB LIMITED**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of CORONATION CLUB LIMITED (the Company), which comprises the statement of financial position as at 31st December 2023, and the 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 CORONATION CLUB LIMITED, is in accordance with the *Corporations Act 2001*, including:

- (a) Giving a true and fair view of the company's financial position as at 31st December 2023, and of its financial performance for the year then ended; and
- (b) 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 set out under Auditing Standard ASA 700. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

CORONATION CLUB LIMITED

ACN: 000 191 659

(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT **TO THE MEMBERS OF** **CORONATION CLUB LIMITED (continued)**

Other Information

The directors are responsible for the other information. The other information comprises the information contained in the CORONATION CLUB LIMITED Annual Report (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 and will 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 identified above 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.

Based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is no material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 registered entity's internal control.

CORONATION CLUB LIMITED

ACN: 000 191 659

(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
CORONATION CLUB LIMITED (continued)

Auditor's responsibilities for the audit of the Financial Report (continued)

- 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 registered entity'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 registered entity to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

DATED AT SYDNEY
THIS 1ST DAY OF
MARCH 2024

.....
HARLEY, RUSSELL & DAY
Chartered Accountants

GARRY WILLIAM DAY
Registered Company Auditor