

The Sydney Portugal Community Club Limited

ABN 37 002 690 799

General Purpose Financial Statements

Year Ended 30 June 2023

The Sydney Portugal Community Club Limited

ABN 37 002 690 799

Directors' Report

Year Ended 30 June 2023

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The Sydney Portugal Community Club Limited

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Directors' Report

Year Ended 30 June 2023

The Directors present his report, together with the financial report of The Sydney Portugal Community Club Limited (the club) for the year ended 30 June 2023.

Information of Directors

The Directors of the club in office at any time during or since the end of the financial year are:

Name of Directors	Role	Commenced Position	Ceased Position
Nuno Da Silva	(President)	Appointed 05/05/2022	Current
Jorge Leonel Sequeira Martins	(Secretary)	Appointed 05/05/2022	Current
Orlando Guerra Maciel	(Director)	Appointed 05/05/2022	Current
Semiao Afonso	(Vice President)	Appointed 05/05/2022	Current
Paul Goncalves	(Director)	Appointed 09/11/2022	Current
Rogério Da Silva Dias	(Director)	Appointed 05/05/2022	Resigned on 15/06/2023
Morgan John Kelly	(Temporary Administrator)	Appointed 31/03/2021	Retired 13/10/2022

Directors' Meetings

The number of Directors' meetings of the club's Board of Directors (the Board) that each Director was eligible to attend and the number of meetings attended by each Director was:

Name of Director	Meetings Held*	Meetings Attended
Nuno Da Silva	22	14
Jorge Leonel Sequeira Martins	22	22
Orlando Guerra Maciel	22	17
Semiao Afonso	22	16
Paul Goncalves	13	12
Rogério Da Silva Dias	20	16
Morgan John Kelly ¹	N/A	N/A

¹ Morgan John Kelly was the sole director during his time on the Board.

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

Principal Activities and Performance

During the year, the principal activities of the club consisted of operating as a licensed social and sporting club.

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Directors' Report

Year Ended 30 June 2023

Changes in State of Affairs

The Board of Directors managed the Club's operations under the guidance of Morgan Kelly the Temporary Administrator of the Club up until 13 October 2022 when he retired.

Due to the outbreak of the COVID-19 coronavirus pandemic, the club was partially operating two days per week from 11 March 2022 and was fully operational on 29 November 2022

On 6 September 2022, John Holland Pty Ltd Settlement Deed was signed. The Settlement Sum of \$509,500 was used to clear off the liabilities towards the \$275,000 fees of the KPMG Temporary Administrator, \$148,492 Legal Fees for King & Wood Mallesons and \$ 51,610 legal fees for Bazaliza Lawyers. We are still waiting on the final outcome of the negotiations with Bazaliza Lawyers.

On 12 September 2022, the matter between Glen Ramos and the club was settled and finalised.

On 13 October 2022, Morgan Kelly retired as the Temporary Administrator and the new Board of Directors began managing the Club's operation.

On 1 November 2022, Members litigation matter was closed. Parties consent to having the proceedings dismissed.

The Club was fully operational on 29 November 2022.

An Insurance claim was made due to damage caused by flooding in February 2022. After long delays to process the claim, it was settled in March 2023.

Apart from the above matters, there have been no other significant changes in the state of affairs of the club during the financial year.

Operating Result

The net profit for the year after providing for income tax was \$922,765 (2022: Net Loss \$115,142).

Objectives

Short term objectives

- Provide well maintained amenities and facilities that meet the needs of members;
- Maintain financial viability; and
- Maintain a high level of customer service, and satisfaction.

Long term objectives

- To ensure the club has a strong financial future;
- To ensure the club is a desirable entertainment venue for members and guests; and
- To develop the club as a meeting place for social cohesion for members and guests.

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Directors' Report

Year Ended 30 June 2023

Strategy for achieving the objectives

- Provide members with a diverse range of entertainment, activities and facilities;
- Continue to grow membership and maintain a strong financial position; and
- Promote the club as a meeting place for social cohesion by supporting local community organisations.

Performance measures

The club measures its activities using financial and non-financial key performance indicators using;

- Club membership growth;
- Benchmarking key performance indicators against other clubs; and
- Comparison of actual financial performance to budgeted performance.

Events Subsequent to Balance Sheet date

There are no matters or circumstances that have arisen since the end of the year that have significantly affected or may significantly affect either:

- the entity's operations in future financial years;
- the results of those operations in future financial years; or
- the entity's state of affairs in future financial years.

Proceedings on behalf of the club

No person has applied for leave of Court to bring proceedings on behalf of the club or intervene in any proceedings to which the club is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The club was not a party to any such proceedings during the year.

Indemnification of Officers and Auditors

During the financial year, the club paid a premium in respect of a contract insuring the Directors of the company (as named above), the club secretary and all executive officers of the club and any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The club has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the club or any related body corporate against a liability incurred as such an officer or auditor.

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Directors' Report

Year Ended 30 June 2023

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out at page 6.

Signed for and on behalf of the Board and in accordance with a resolution in respect thereof.



Jorge Leonel Sequeira Martins
Secretary

Marrickville, NSW

Dated 27 October 2023

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As the auditor of The Sydney Portugal Community Club Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit, and
- No contraventions of any applicable code of professional conduct in relation to the audit.

Holden & Bolster Avenir Pty Limited

Alex Koutzoumis
Director



Dated 26 October 2023

The Sydney Portugal Community Club Limited

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Statement of Comprehensive Income

For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue			
Revenue	2	1,722,674	702,737
Other income	2	1,501,784	334,826
Total revenue		3,224,458	1,037,563
Expenses			
Cost of sales		(667,129)	(122,689)
Administration expenses		(216,914)	(79,474)
Depreciation expense		(154,015)	(150,686)
Employee benefits expense		(351,482)	(160,529)
Interest expense		(104,376)	(70,410)
Occupancy expenses		(215,327)	(198,515)
Soccer expenses		(387,210)	(259,703)
Other expenses		(191,938)	(110,699)
Total expenses		(2,288,391)	(1,152,705)
Net Profit (Loss) before income tax		936,067	(115,142)
Income tax expense	3	13,302	-
Net Profit (Loss) after income tax		922,765	(115,142)
Other comprehensive income		-	-
Net Profit (Loss) after income tax for the year		922,765	(115,142)

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Statement of Financial Position

As At 30 June 2023

	Note	2023 \$	2022 \$
Assets			
Current			
Cash and Cash Equivalents	4	782,199	92,429
Trade and Other Receivables	5	84,923	67,470
Inventories	6	25,566	17,525
Other assets	7	20,768	18,922
Total Current Assets		913,456	196,346
Non-Current			
Property, Plant and Equipment	8	10,625,012	10,654,809
Intangible Assets	9	-	2,475
Other Assets	7	-	4,600
Total Non-Current Assets		10,625,012	10,661,884
Total Assets		11,538,468	10,858,230
Liabilities			
Current			
Trade and Other Payables	10	181,898	522,573
Provisions	11	60,855	25,497
Borrowings	12	367,150	312,000
Total Current Liabilities		609,903	860,070
Non-current			
Borrowings	12	1,518,661	1,518,661
Provisions	11	38,264	30,623
Total Non-Current Liabilities		1,556,925	1,549,284
Total Liabilities		2,166,828	2,409,354
Net Assets		9,371,641	8,448,876
Equity			
Reserves	14	4,319,725	4,319,725
Retained earnings		5,051,916	4,129,151
Total Equity		9,371,641	8,448,876

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 30 June 2023

	Note	Asset Revaluation Reserve	Retained Earnings	Total Equity
Balance at 1 July 2021		4,319,725	4,244,293	8,564,018
Profit for the year		-	(115,142)	(115,142)
Balance at 30 June 2022		4,319,725	4,129,151	8,448,876
Balance at 1 July 2022		4,319,725	4,129,151	8,448,876
Profit/(Loss) for the year		-	922,765	922,765
Balance at 30 June 2023		4,319,725	5,051,916	9,371,641

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Statement of Cash Flows

For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
Cash from Operating activities			
Receipts from customers		3,207,005	941,748
Government Covid 19 Grants		-	66,891
Payments to suppliers and employees		(2,343,791)	(1,114,057)
Interest received		-	-
Interest paid		(104,376)	(70,410)
Net cash inflow (outflow) from operating activities	15	758,838	(175,828)
Cash flows from Investing activities			
Purchase of property, plant and equipment		(124,218)	(4,920)
Net cash inflow (outflow) from investing activities		(124,218)	(4,920)
Cash flows from Financing activities			
Proceeds from borrowings		55,150	-
Net cash inflow from financing activities		55,150	-
Net increase (decrease) in cash held		689,770	(180,748)
Cash at beginning of the financial year		92,429	273,177
Cash at the end of the financial year	4	782,199	92,429

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Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Statement of Significant Accounting Policies

General Information and Statement of Compliance

The financial report has been prepared as a **Tier 2 general purpose financial report** which has been prepared in accordance with Australian Accounting Standards – Simplified Disclosures and Interpretations issued by the Australian Accounting Standards Board Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers The Sydney Portugal Community Club Limited (“the club”) as an individual entity. The Sydney Portugal Community Club Limited is a Company limited by guarantee, incorporated and domiciled in Australia.

Principal place of business is at 100 Marrickville Road, Marrickville NSW 2204.

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

The following is a summary of the material accounting policies adopted by the club in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Reporting Basis and Conventions

This financial report has been prepared on a going concern basis and on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Adoption of new and revised Accounting Standards

In the current year, the company has adopted all of the new and revised Standards and interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. There has been no material impact of these changes on the company's accounting policies.

New and revised Australian Accounting Standards in issue but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the company's financial statements are disclosed below. The company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

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Notes to the Financial Statements

For the Year Ended 30 June 2023

New Accounting Standards and Interpretations not yet mandatory or early adopted

AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

A separate disclosure Standard applied in the preparation of general-purpose financial statements prepared in accordance with 'Tier 2' of the differential reporting framework in AASB 1053 Application of Tiers of Australian Accounting Standards.

Entities preparing general purpose financial statements in accordance with this Standard are not required to comply with the disclosure requirements of other Accounting Standards. However, the recognition and measurement requirements of all Accounting Standards must be applied.

The disclosure requirements in AASB 1060 replace those required under 'Reduced Disclosure Requirements' (RDR) which shaded those disclosure requirements of Accounting Standards that were not applicable to Tier 2 entities. The number of disclosures required by this Standard are generally less than RDR.

(a) Revenue Recognition

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Sale of Goods

Sale of goods are recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Poker Machines

Poker machine revenue is recognised net of payouts.

Membership

Membership revenue is recognised in the year in which it relates.

(b) Operating expenses

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

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Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Statement of Significant Accounting Policies

(c) Income Taxes

The income tax expense or benefit for the period, is the tax payable on that period's taxable income based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates that are enacted or substantively enacted.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and derecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same tax authority on either the same taxable entity or different taxable entity's which intend to settle the claim simultaneously.

Mutuality principle

The company calculates its income in accordance with the mutuality principle, which excludes from income, any amounts of subscriptions and contributions 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.

Amendments to the Income Tax Assessment Act 1997 ensure social clubs continue not to be taxed on receipts from contributions and payments received from members.

(c) Cash and Cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(d) Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

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Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Statement of Significant Accounting Policies

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(f) Property, Plant and Equipment

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

Land and buildings at cost

Land and buildings at cost are measured using the cost model.

(g) Property, plant and equipment (Continued)

Land and buildings at fair value

Land is shown at fair value, less subsequent depreciation and impairment of buildings. The valuations are undertaken more frequently if there is a material change in fair value relative to the carrying amount. Any accumulated depreciation at the date of valuation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on valuation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity.

Any revaluation decrements are initially taken up in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter decrements are taken to the profit and loss.

Plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated over the asset's useful life to the company, commencing when the asset is ready for use.

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

Fixed asset class	Depreciation rate
Buildings	2.5% straight line
Plant and Equipment	10-20% diminishing value

Any revisions are accounted for prospectively as a change in estimate.

(h) Impairment of non-financial assets

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

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

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Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Statement of Significant Accounting Policies

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

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

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(i) Financial instruments

Financial instruments are recognised initially using trade date accounting, ie. on the date that the company becomes party to the contractual provisions of the instrument.

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

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;

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

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The company's trade and other receivables fall into this category of financial instruments.

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Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Statement of Significant Accounting Policies

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The entity's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(j) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to the short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are not usually paid within 30 days of recognition.

(k) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

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Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Statement of Significant Accounting Policies

(l) Goods and Services Tax (GST)

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

Receivables and payable are stated inclusive of GST.

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

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

(m) Employee Benefits

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

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Changes in the measurement of the liability are recognised in profit or loss.

(n) Reserves

Components of equity include the following:

- revaluation reserve – comprises gains and losses from the revaluation of land and buildings (see Note 14)

Retained earnings include all current and prior period retained profits.

(o) Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units, based on expected future cash flows and uses an interest rate to discount them.

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Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Statement of Significant Accounting Policies

Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Fair value of financial instruments

The company has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

(o) Going Concern

At 30 June 2023, the club had net cash balance of \$782,199 and net asset position of \$9,371,641. The club had positive operating cashflows of \$758,838 for the year.

The Directors believe the Club is a going concern due to the following:

- rolling over all existing facilities;
- active management cash outflows;
- negotiation by the board with a number of sources to hire the soccer facilities on a long-term agreement; and
- negotiation by the board and progression of lease options with other prospective customers.

On the above basis, it is the opinion of the Board of Directors that the company will be able to continue as a going concern and that therefore, this basis of preparation is appropriate.

The Sydney Portugal Community Club Limited

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Notes to Financial Statements

For the Year Ended 30 June 2023

	2023	2022
	\$	\$
2 Revenue		
Revenue from rendering service		
Bingo, raffle and ticket sales	69,331	28,567
Food and beverage sales	647,510	232,477
Government GST rebate	9,724	7,028
Soccer Income	507,868	361,075
Poker Machine Income	413,464	34,358
Sponsorships	74,777	39,232
	<u>1,722,674</u>	<u>702,737</u>
Other income		
Member Subscriptions	5,091	2,865
Rental income	468,344	187,373
Other income	1,028,349	144,588
	<u>1,501,784</u>	<u>334,826</u>
3 Income tax expense		
<i>Numerical reconciliation of income tax expense to prima facie tax payable:</i>		
Profit (loss) before income tax expense	936,067	(115,142)
Tax at the Australian tax rate of 25% (2022: 25%)	234,017	(28,785)
Deferred tax asset relating to current year not brought to account	-	28,785
Deferred tax liability relating to current year not brought to account	(220,715)	-
	<u>13,302</u>	<u>-</u>
4 Cash and Cash Equivalents		
Cash on Hand	10,200	9,905
Cash at Bank	771,999	82,524
	<u>782,199</u>	<u>92,429</u>
5 Trade and Other Receivables		
Current		
Trade Debtors	37,202	44,784
Less: Provision for Doubtful Debts	(975)	(26,010)
Other Receivables – Held in trust*	48,696	48,696
	<u>84,923</u>	<u>67,470</u>

*This Amount is included with the dispute referred to at Note 10 Trade and other payables.

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Notes to Financial Statements

For the Year Ended 30 June 2023

	2023	2022
	\$	\$
6 Inventories		
Stock on Hand	25,566	17,525
	25,566	17,525
7 Other Assets		
Current		
MG Camera Partnership	-	70,000
Less: Allowance for loss in joint venture	-	(70,000)
Prepayment Insurance	20,768	18,922
	20,768	18,922
Non-Current		
Borrowing Cost	-	16,437
Less: Accumulated Amortisation	-	(16,437)
Secured Deposits	-	4,600
	-	4,600
8 Property, Plant and Equipment		
Land and Buildings*		
Freehold Land	6,321,073	6,321,073
Building & Facilities at Cost	222,114	222,114
Less: Accumulated Depreciation	(222,114)	(222,114)
	6,321,073	6,321,073
Capitalised Costs – New Building	239,269	239,269
Less: Accumulated Depreciation	(91,486)	(85,504)
	147,783	153,765
Property Improvements at Cost	973,436	897,572
Less: Accumulated Depreciation	(590,757)	(570,335)
	382,679	327,237
Property Improvements – Pavilion	876,917	876,917
Less: Accumulated Depreciation	(137,794)	(115,854)
	739,123	761,063

The Sydney Portugal Community Club Limited

ABN 37 002 690 799

Notes to Financial Statements

For the Year Ended 30 June 2023

	2023	2022
	\$	\$
8 Property, Plant and Equipment (continued)		
Property Improvements – Grandstand	2,376,835	2,376,835
Less: Accumulated Depreciation	<u>(360,449)</u>	<u>(301,023)</u>
	<u>2,016,386</u>	<u>2,075,812</u>
Property Improvements – Car Park	1,008,533	1,008,533
Less: Accumulated Depreciation	<u>(100,856)</u>	<u>(75,642)</u>
	<u>907,677</u>	<u>932,891</u>
Total Land and Buildings	<u>10,514,721</u>	<u>10,571,841</u>
*A Valuation of Land and Buildings was performed by Savills Australia in July 2021 under instructions from the Temporary Administrator. The Valuation amount was \$19.4 million.		
Plant and Equipment		
Plant and Equipment at Cost	819,911	771,557
Less: Accumulated Depreciation	<u>(731,522)</u>	<u>(715,447)</u>
	<u>88,389</u>	<u>56,110</u>
Poker Machine at Cost	269,808	269,808
Less: Accumulated Depreciation	<u>(258,805)</u>	<u>(256,316)</u>
	<u>11,003</u>	<u>13,492</u>
Poker Machine – Leased	55,788	55,788
Less: Accumulated Depreciation	<u>(55,788)</u>	<u>(55,788)</u>
	<u>-</u>	<u>-</u>
Furniture & Fittings at Cost	205,879	205,879
Less: Accumulated Depreciation	<u>(194,980)</u>	<u>(192,513)</u>
	<u>10,899</u>	<u>13,366</u>
Total Plant and Equipment	<u>110,291</u>	<u>82,968</u>
Total Property, Plant and Equipment	<u>10,625,012</u>	<u>10,654,809</u>

The Sydney Portugal Community Club Limited

ABN 37 002 690 799

Notes to the Financial Statements

For the Year Ended 30 June 2023

	2023	2022
	\$	\$
9 Intangible Assets		
Formation Expenses	-	2,475
	<u>-</u>	<u>2,475</u>

10 Trade and Other Payables

Current

Trade Payables*	167,288	398,260
Net GST payable	8,498	4,435
Other Creditors	6,112	119,878
	<u>181,898</u>	<u>522,573</u>

* This amount includes approximately \$120k (\$172k in 2022) in legal fees which are subject to dispute.

11 Provisions

Current

Provision for Annual Leave	47,553	25,497
Provision for Income Tax	13,302	-
	<u>60,855</u>	<u>25,497</u>

Non-Current

Provision for Long Service Leave	38,264	30,623
	<u>38,264</u>	<u>30,623</u>

12 Borrowings

Current

Unsecured loans from members	367,150	312,000
	<u>367,150</u>	<u>312,000</u>

Non-Current

Bank Loan	1,518,611	1,518,661
	<u>1,518,611</u>	<u>1,518,661</u>

Bank loan is interest only , secured by registered first mortgage over the freehold property and registered first mortgage over the whole of assets.

The unsecured loan from members is no interest as per the loan agreements.

The Sydney Portugal Community Club Limited

ABN 37 002 690 799

Notes to Financial Statements

For the Year Ended 30 June 2023

	2023	2022
	\$	\$
14 Reserves		
Asset Revaluation Reserve	4,319,725	4,319,725
	4,319,725	4,319,725
Movement during the year	-	-
Opening balance for the year	4,319,725	4,319,725
	4,319,725	4,319,725
15 Cash Flow information		
<i>Reconciliation of Cash Flow from operations with profit from ordinary activities</i>		
Profit (loss) after tax	922,765	(115,142)
Add/Less: Non-cash related items		
Depreciation expense	154,015	150,686
Changes in assets and liabilities		
Movement in trade and other receivables	(17,453)	2,894
Movement in inventories	(8,041)	1,333
Movement in other current assets	5,231	75,203
Movement in trade and other payables	(340,677)	(288,330)
Movement in provisions	42,998	(2,472)
Net Cash Inflow (outflow) from operating activities	758,838	(175,828)

The Sydney Portugal Community Club Limited

ABN 37 002 690 799

Notes to Financial Statements

For the Year Ended 30 June 2023

16 Related Party Transactions

There were no related party transactions during the year.

The Directors of the company did not receive any remuneration during the year.

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

	2023	2022
Loan from Members:	\$	\$
	367,150	312,000
	367,150	312,000

17 Auditor's Remuneration

Amounts received or due and receivable by the auditors of company for:

	\$	\$
Audit of the financial report	19,500	24,500
	19,500	24,500

18 Commitment

There were no material commitments for expenditure as at 30 June 2023. (2022: \$ Nil)

19 Contingent liabilities

There is a current review and negotiations relating to a project undertaken by the company and Bazaliza Lawyers. The extent to which an outflow of funds will be required is dependent on the outcome of these negotiations.

The Sydney Portugal Community Club Limited

ABN 37 002 690 799

Notes to Financial Statements

For the Year Ended 30 June 2023

20 Matters Subsequent to the End of the Financial Year

The Club has repaid \$324,000 of the unsecured loans from members.

The Club is still waiting on the final outcome of the negotiations with Bazaliza Lawyers.

Apart from the above matters, there are no further matters or circumstances that have arisen since the end of the year that have significantly affected or may significantly affect either:

- the entity's operations in future financial years
- the results of those operations in future financial years; or
- the entity's state of affairs in future financial years.

21 Registered Office

The Sydney Portugal Community Club Limited
100 Marrickville Road
Marrickville NSW 2204

The Sydney Portugal Community Club Limited

ABN 37 002 690 799

Directors' Declaration

For the Year Ended 30 June 2023

The Directors of the company declare that:

- 1 The financial statements and notes as set out on pages 7 to 25, are in accordance with *the Corporations Act 2001* and:
 - (a) Comply with Australian Accounting Standards – Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) Give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the company.
- 2 In the Directors' opinion, there are reasonable grounds to believe that 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.



Jorge Leonel Sequeira Martins
Secretary

Dated 27 October 2023

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE SYDNEY PORTUGAL COMMUNITY CLUB LIMITED**

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the accompanying financial report of The Sydney Portugal Community Club Limited (the company), which comprises the statement of financial position as at 30 June 2023, 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial report of The Sydney Portugal Community Club Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Simplified Disclosure (including Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

Basis for Qualified Opinion

There are a number of revenue types as described in Note 2 of the financial statements (revenue types) which are a significant source of fundraising revenue for the company.

The company has determined that it is impracticable to establish control over the collection of these revenue types prior to entry into its financial records.

Accordingly, as the evidence available to us regarding fundraising revenue from this type was limited, our audit procedures with respect to revenue had to be restricted to the amounts recorded in the financial records.

We therefore are unable to express an opinion whether these revenue types of the company recorded is complete.

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* (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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE SYDNEY PORTUGAL COMMUNITY CLUB LIMITED**

(continued)

Basis for Qualified Opinion (continued)

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

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

Emphasis of Matter - Going Concern

We draw your attention to Note 1(o) of the financial statements which describes the basis from which the Directors' are satisfied that the going concern assumptions are appropriate. As stated in Note 1(o), these events or conditions, along with other matters as set forth in Note 1(o) are critical for the company to achieve.

In the absence of achieving these events and conditions, may cause material uncertainty and cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE SYDNEY PORTUGAL COMMUNITY CLUB LIMITED**

(continued)

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

Holden & Bolster Avenir Pty Limited

**Alex Koutzoumis
Director**

Dated 28 October 2023



DISCLAIMER

TO THE MEMBERS OF THE SYDNEY PORTUGAL COMMUNITY CLUB LIMITED

The additional financial information presented in the following pages is in accordance with the books and records of The Sydney Portugal Community Club Limited for the year ended 30 June 2023.

It will be appreciated that our audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such additional financial information and no warranty of accuracy or reliability is given. Neither Holden & Bolster (the firm) nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than our client) in respect of such additional financial information, including any errors or omissions therein however caused.

Holden & Bolster Avenir Pty Limited

Alex Koutzoumis
Director



Dated 28 October 2023

The Sydney Portugal Community Club Limited

ABN 37 002 690 799

Additional Financial Information

For the Year ended 30 June 2023

	2023	2022
	\$	\$
Bar Operations		
Income		
Sales	146,859	23,377
Less Cost of Goods Sold		
Opening Stock	3,560	5,273
Transfers of Drinks from Store	66,136	8,401
	<u>69,696</u>	<u>13,674</u>
Closing Stock	5,466	3,560
	<u>64,230</u>	<u>10,114</u>
Gross Profit from Trading	<u>82,629</u>	<u>13,263</u>
Expenditure		
Cleaning & Waste Removal	2,842	1,234
Gas	1,505	1,344
Repairs & Maintenance	2,985	1,355
Replacements	427	48
Staff Hire	419	-
Superannuation Contributions	9,906	2,549
	<u>18,084</u>	<u>6,530</u>
Net Surplus from Bar Trading	<u><u>64,545</u></u>	<u><u>6,733</u></u>

The Sydney Portugal Community Club Limited

ABN 37 002 690 799

Additional Financial Information

For the Year ended 30 June 2023

	2023	2022
	\$	\$
Poker Machine Operations		
Income		
Net Poker Machine Takings	117,608	12,640
Less Cost of Goods Sold		
GST on Poker Machines	10,692	1,149
	<u>10,692</u>	<u>1,149</u>
Gross Profit	106,916	11,491
Expenditure		
Contract & Other Expenses	29,395	9,756
Depreciation - Poker Machines	2,489	3,090
	<u>31,884</u>	<u>12,846</u>
Other Income		
Exempt Government Compensation Income	9,724	7,028
	<u>9,724</u>	<u>7,028</u>
Net Surplus from Poker Machine Operation	<u><u>84,756</u></u>	<u><u>5,673</u></u>

The Sydney Portugal Community Club Limited

ABN 37 002 690 799

Additional Financial Information

For the Year ended 30 June 2023

	2023	2022
	\$	\$
Function Operations		
Income		
Function Income	342,298	94,417
Less Cost of Goods Sold		
Opening Stock	3,798	2,685
Transfer of Drinks from Store	18,110	10,521
	<u>21,908</u>	<u>13,206</u>
Closing Stock	6,177	3,798
	<u>15,731</u>	<u>9,408</u>
Gross Profit from Trading	<u>326,567</u>	<u>85,009</u>
Expenditure		
Cleaning	10,213	2,343
Gas	2,668	625
Replacements, R & M	4,616	1,286
Social Function Expenses	93,943	18,990
Social Function - Artists	24,090	5,885
Social Function - Party Hire	490	178
Staff Hire	30,158	350
	<u>166,178</u>	<u>29,657</u>
Other Income		
Hall & Pavilion Hiring	28,580	23,373
	<u>28,580</u>	<u>23,373</u>
Net Surplus from Function Operations	<u><u>188,969</u></u>	<u><u>78,725</u></u>

The Sydney Portugal Community Club Limited

ABN 37 002 690 799

Additional Financial Information

For the Year ended 30 June 2023

	2023 \$	2022 \$
Restaurant Operations		
Income		
Sales	136,756	71,011
	<u>136,756</u>	<u>71,011</u>
Less Cost of Goods Sold		
Opening Stock	2,501	2,737
Purchases	27,744	20,498
Transfer of Drinks from Store	63,293	9,990
	<u>93,538</u>	<u>33,225</u>
Closing Stock	2,914	2,501
	<u>90,624</u>	<u>30,724</u>
Gross Profit from Trading	<u>46,132</u>	<u>40,287</u>
Expenditure		
Cleaning & Waste Disposal	3,200	2,554
Gas	3,610	1,409
Hiring Staff	226	-
Repairs & Maintenance	4,020	949
	<u>11,056</u>	<u>4,912</u>
Net Surplus from Restaurant Operations	<u><u>35,076</u></u>	<u><u>35,375</u></u>

The Sydney Portugal Community Club Limited

ABN 37 002 690 799

Additional Financial Information

For the Year ended 30 June 2023

	2023	2022
	\$	\$
Bingo Operations		
Income		
Receipts	39,101	13,949
Less Cost of Goods Sold		
Purchases	31,092	10,858
Transfer of Drinks from Store	5,298	1,349
	<u>36,390</u>	<u>12,207</u>
Gross Loss from Trading	2,711	1,742
Net Surplus from Bingo Operations	<u><u>2,711</u></u>	<u><u>1,742</u></u>
 Raffle Operations		
Income		
Receipts	30,229	14,618
Less Cost of Goods Sold		
Purchases	19,342	6,759
	<u>19,342</u>	<u>6,759</u>
Gross Profit from Trading	10,887	7,859
Net Surplus from Raffle Operations	<u><u>10,887</u></u>	<u><u>7,859</u></u>

The Sydney Portugal Community Club Limited

ABN 37 002 690 799

Additional Financial Information

For the Year ended 30 June 2023

	2023	2022
	\$	\$
Soccer Sports Operations		
Income		
Soccer Revenue		
Soccer - Registration Fees	507,868	358,248
Soccer - Sponsorship	72,682	38,773
Soccer - Field Hiring	-	500
Soccer - Other Income	21,597	46,501
	<u>602,147</u>	<u>444,022</u>
Expenditure		
Bank Charges	312	381
Fines & Penalties	3,380	970
Licensing Fees - Soccer	44,614	33,941
Medical Expenses	17,240	9,810
Referees	21,885	3,573
Repairs & Maintenance	2,921	7,460
Soccer Player Expenses	58,275	9,406
Soccer Coaching Expenses	85,227	45,313
Soccer - Staff Hire	23,046	36,475
Trophies	1,516	1,461
Uniforms		
Opening Stock - Soccer Uniform	-	-
Uniforms	77,924	67,155
Closing Stock - Soccer Uniform	-	-
Wages	-	-
Soccer Opening Stock	194	351
Other Soccer Expenses	69,421	51,661
Soccer Closing Stock	-	(194)
	<u>405,955</u>	<u>267,763</u>
Net Surplus from Soccer Sports Operations	<u>196,192</u>	<u>176,259</u>

The Sydney Portugal Community Club Limited

ABN 37 002 690 799

Additional Financial Information

For the Year ended 30 June 2023

	2023	2022
	\$	\$
Store Stock Operations		
Income	-	-
Less Cost of Goods Sold		
Opening Stock	7,472	7,812
Purchases	172,374	37,981
	<u>179,846</u>	<u>45,793</u>
Closing Stock	10,983	7,472
Transfer of Drinks to Bar	66,136	8,401
Transfer of Drinks to Functions	18,110	14,400
Transfer of Drinks to Bingo	5,298	1,349
Transfer of Drinks to Restaurant	63,293	6,111
Stock Transfer to Soccer	16,026	8,060
	<u>-</u>	<u>-</u>
Net Surplus from Store Stock Operations	-	-
Net Surplus from Trading Activities	<u><u>583,135</u></u>	<u><u>312,366</u></u>

The Sydney Portugal Community Club Limited

ABN 37 002 690 799

Additional Financial Information

For the Year ended 30 June 2023

	2023	2022
	\$	\$
Income		
Net Surplus from trading Activities	583,135	312,366
Other Income		
Insurance Recoveries	398,075	-
John Holland Settlement	509,500	-
Commissions Received	1	-
Gaming Machine Income - Snooker	1,595	168
Members' Subscriptions	5,091	2,865
Donations Received	2,095	459
Rent Received	303,750	112,121
Car Park Hiring	103,825	24,864
Rents Received - Mars Media	32,189	26,515
Sundry income	119,177	144,420
	<u>1,475,298</u>	<u>311,412</u>
Total Income	<u><u>2,058,433</u></u>	<u><u>623,778</u></u>
Expenditure		
Amortisation Preliminary Costs	2,475	-
Accountancy Fees	15,550	13,400
Auditor's Remuneration		
-Audit & review of financial statements	24,500	20,000
Bank Charges	7,416	4,596
Cleaning	45,383	7,483
Commission	1,398	5,203
Consultancy Fees	29,082	25,830
Depreciation	151,526	147,596
Directors Expenses	1,217	817
External Administration Fee	137,886	-
Freight & Cartage	596	62
Fine & Penalty	587	104
Hire of Plant & Equipment	-	317
Insurance	56,807	115,791
Interest paid	104,376	70,410
IT Expense	1,875	-
Legal Costs	35,935	45,817
Light & Power	82,872	48,277
Internet	3,948	27
Long Service Leave	7,641	(4,550)
Annual Leave Provision	22,055	2,078
Prizes, Gifts	2,836	564

The Sydney Portugal Community Club Limited

ABN 37 002 690 799

Additional Financial Information

For the Year ended 30 June 2023

	2023	2022
	\$	\$
Expenditure (continued)		
Printing & Stationery	2,367	1,605
Rates & Taxes	21,712	22,090
Rent	7,060	5,758
Repairs & Maintenance	51,854	19,091
Security Costs	9,052	6,536
Staff Training & Welfare	2,860	-
Subscriptions	13,514	22,497
Superannuation Contributions	14,486	10,169
Telephone	4,445	4,488
Wages	259,055	142,864
	<u>1,122,366</u>	<u>738,920</u>
Net Surplus (Deficit) for the year	<u>936,067</u>	<u>(115,142)</u>