

**Manly Warringah Gymnastics Club limited**

**ABN 49 155 260 343**

**Financial Reports**

**For the year ended 31 December 2023**

**Manly Warringah Gymnastics Club Limited**  
**ABN 49 155 260 343**

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**Manly Warringah Gymnastics Club Limited**  
**ABN 49 155 260 343**

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The Directors of Manly Warringah Gymnastics Club Limited present their Report together with the financial statements of the company for the year ended 31 December 2023.

**Director and company secretary**

The following persons were directors of Manly Warringah Gymnastics Club Limited during the whole of the financial year and up to this date of this report:

- Melinda Stewart
- Ian Hardy
- Tamzin Brown
- Renu Steggles.
- Kate Davis
- Byron Muntz
- Robert Steers

The company secretary is Mr. Ian Hardy, Mr. Hardy was appointed to the position since July 2020.

**Director details**

Melinda Stewart (Chair / Non-Executive Director)

- Fellow of Australian Human Resources Institute
- Member, Women in Banking & Finance Inc.
- Human Resources, payroll, HR systems, operations, people management experience
- Global Head of HR Shared Services, ASX100 listed company in the construction industry

Ian Hardy (CEO / Executive Director)

- MWGC Chief Executive Officer
- NSW Justice of the Peace
- Diploma Human Resource and Management and Business Management
- NSW Licence Builder - 35 years' experience in facility management, design, and construction
- Member Gymnastics Australia Club Commission and Institute of Community Directors Australia

Tamzin Brown (Treasurer/Non-Executive Director)

- Finance Executive and Head of Financial Planning & Analysis, ASX Listed Companies
- BA (Hons) Accountancy University of Portsmouth, UK
- A.C.M.A (Associate member of Chartered Institute of Management Accountants, UK)
- Finance transformation, team management and development.

Renu Steggles (Non-Executive Director)

- BE (Hons), UNSW, Sydney, 2001
- MEngSci (Geotechnical), UNSW, Sydney, 2009
- MIEAust CPEng NER APEC Engineer IntPE (Aus) - Civil and Environmental Engineers Australia
- Transport Infrastructure Sector Lead (Aus/NZ). Principal Geotechnical Engineer. Associate

Kate Davis (Non-Executive Director)

- Consultant Psychologist
- Accredited Child Protection Investigator
- Expert – Child Safety Legislation

**Manly Warringah Gymnastics Club Limited**  
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- Secretary and committee member - Australian Psychological Society's PiSIG
  - BSc (Psych), Macq.
  - PGDip (Psych), Macq.
  - GradDipAppMH(Child & Adol.), HETI
  - MRes (Psych), Macq.
  - MEd (Gifted Ed.), UNSW
  - Member Australian Psychological Society
  - Member Australian Association of Psychologists Inc.

Bryon Muntz (Non-Executive Director)

- BE, Monash University.
- Strategy development, commercial leadership in marketing and sales.

Robert Steers (Non-Executive Director)

- Marketing, brand and digital experience.

### Principal Activities

The principal activity of the company is to coach in the sport of gymnastics.

### Directors' meetings

Director	Meeting entitled to attend	Meeting attended
Melinda Stewart	7	7
Ian Hardy	7	7
Tamzin Brown	7	5
Bryon Muntz	5	4
Robert Steers	5	5
Renu Steggles	7	7
Kate Davis	7	7

### Message from Chairperson

The MWGC (Manly Warringah Gymnastics Club) Board's 2023 reflection is sombre in relation to the club's financial and operational performance despite some success on the competition and gymnastics floors by our members. Increased premises costs at Cromer, reduced membership in the recreational and under 5's programs, and investment in the development of the new facility at Nolan's Reserve North Manly have resulted in a significant operating loss.

The Board is actively taking measures to arrest the membership decline and improve engagement and retention of members and staff to ensure MWGC regains its place as the gymnastics club of choice on the Northern Beaches, and the financial performance reflects the competitive success achieved in some of our programs this year.

**Manly Warringah Gymnastics Club Limited**  
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In my ninth year as Chair and Non-Executive Director of MWGC, I acknowledge the challenge our club faces to remain competitive and have a bright future, whilst developing the future premises strategy through our Public Private Partnership with Northern Beaches Council for the new facility. I encourage further volunteering by our members to assist the board and management teams with operational and fundraising support where your skills and experience can make a difference to the club's performance and the experience of our athletes.

The Board thanks the staff and management for implementing some difficult staffing changes in 2023 but caution there may need to be further operational changes in 2024 without a strong turnaround in membership. The need to focus on staff and member engagement has never been greater, and we call on our staff and members to work with us to make this happen.

I acknowledge the time and effort of the MWGC Board of directors who generously volunteer their time. To our staff, members, and families, thank you for your contribution to MWGC in 2023. I look forward to seeing you in the gym in 2024 and wish our members and their coaches continued success with skill progression, having fun with their friends and most of all, loving the sport of gymnastics.

**Message from Chief Executive Officer**

2023 Started with an air of excitement around the new facility, having successfully received a project delivery deed from Council we felt the project would finally come to fruition. Whilst waiting for the final 30-year lease to be approved by the Office of Local Government we were deep in design and planning with architects and town planners.

In January we received the approval for the lease, then in February we received the great news that we had been awarded \$5.15 million in NSW Office of Sport funding under the Centre of Excellence Fund. We commenced conversations with lenders for the remaining funds and this process was and remains a challenge as changes in bank lending policies and rates, plus general rises in the economy saw all banks applying tighter lending guarantees. Initially the Council was not prepared to underwrite a guarantee, but by taking a bunch of gymnasts and families to a Council meeting, we successfully opened a door for them to reconsider. The outcome of our request is due soon, and we can only hope that grants us an opportunity.

The final amended building plans and documents have been submitted and accepted by Council, with the last stage of the Development Application being the submission to the NSW State Planning Panel. We are hoping for them to accept the proposal and recommend approval by the end of June.

We are hoping that our community, membership, and staff will be onboard for fundraising as we still have a long way to go toward securing the \$4.3 mil balance needed.

2023 was a challenge for everyone, we are extremely conscious of rising costs of living and interest rates, and we have done everything possible to keep our fees as low as possible. I am in constant contact with the National and State Associations and will continue to lobby them for lowering their costs. We will continue to monitor our operations closely and do everything we can to ensure our club remains viable and will continue for years to come. 2024 and 2025 will see substantial changes, and we are excited for the new opportunities that will come through the Centre of Excellence.

On the floor we had a fabulous year, MWGC was crowned Australia's No1 WAG and MAG club!

2023 Successes include,

State Championships, State Clubs, Border Challenge, National Championships and National Clubs

- 51 Gold, 47 Silver and 50 Bronze Medals

**Manly Warringah Gymnastics Club Limited**  
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**International Representatives**

- Imogen Schuitemaker – Inaugural Women’s Artistic Australian Junior Classic
- Ella Perry – Gymnova Cup
- Saxon Glendinning - Galveston Island Winter Beach Blast + Houston Gymnastics Academy Invitations
- Jack Carrigan – World Age Group Championships
- MWGC Gymnaestrada Team – 14 athletes
- Caedyn Hardy – National Coach Montpellier Parkour world cup

**Free G Grand Prix - 3rd Overall Club**

**2023 GNSW Awards**

- 24 Nominations
- 11 Awards

MWGC’s recreational programs are undergoing changes toward boosting pathways, and providing new opportunities are a high priority, and it is important that we recognise that whilst the Rec programs continue to help fund the competitive programs, Rec’s success is paramount.

I wish to thank our coaches and admin team for their dedication and ongoing commitment to our club, and the club’s volunteer board of directors for their support and guidance. Without these amazing people our club could not function.

To the athletes and members, thank you for being with us for another amazing year.

**Future Developments**

The company will continue to pursue its principal activities as stated. The directors do not anticipate any changes in the operations of the company which will affect the results in subsequent years.

**Contribution in winding up.**

The company is incorporated under the Corporation Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the entity. On 31 December 2023, the total amount that members of the company are liable to contribute if the company wound up is \$1,487.

**Indemnifying Officers**

During the financial year, the company has paid premiums to insure the current directors against liabilities for cost and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of directors of the company.

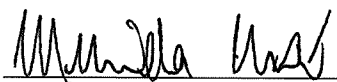
**Manly Warringah Gymnastics Club Limited**  
**ABN 49 155 260 343**

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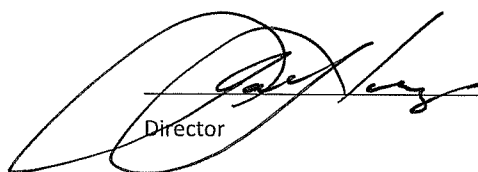
**Auditor's Independence Declaration**

The auditor's independent declaration for the year ended 31 December 2023 has been received and can be found on page 8.

Signed in accordance with a resolution of the directors.



Director



Director

Date: 22/05/2024

**Manly Warringah Gymnastics Club Limited**  
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**Auditor's Independence Declaration**

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**To the directors of Manly Warringah Gymnastics Club Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of the Manly Warringah Gymnastics Club Limited.

I declare that, to the best of my knowledge and belief, during the year ended 31<sup>st</sup> December 2023 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.



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Leslie Pines, Chartered Accountant  
Suite 1/102 Spofforth Street  
Cremone, NSW 2090

Date: 21st May 2024



**Manly Warringah Gymnastics Club Limited**  
**ABN 49 155 260 343**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 31 December 2023**

	Notes	2023 \$	2022 \$
Revenue	2	3,022,848	2,757,758
Other revenue	3	65,673	17,338
		3,088,521	2,775,096
Audit, legal and consultancy fees	4	(194,060)	(28,773)
Client support services expenses		(194,749)	(153,014)
Depreciation and amortisation expenses	5	(414,380)	(399,558)
Employee benefits expenses	6	(2,339,491)	(1,939,996)
Finance costs	7	(59,410)	(91,617)
Fundraising expenses	8	(3,424)	-
Motor vehicle expenses		(20,541)	(9,665)
Rental expenses		(22,677)	-
Staff training and development expenses		(463)	(1,115)
Sundry expenses		(194,425)	(177,114)
Utilities expenses		(25,001)	(26,465)
<b>Current year surplus/(deficit) before income tax</b>		<b>(380,100)</b>	<b>(52,221)</b>
Income tax expenses		-	-
<b>Net current year surplus/(deficit)</b>		<b>(380,100)</b>	<b>(52,221)</b>
<b>Other comprehensive income</b>			
Fair value gains/(losses) on financial assets	9	796	376
<b>Total comprehensive income</b>		<b>(379,304)</b>	<b>(51,845)</b>

This statement should be read in conjunction with the notes to the financial statements.

**Manly Warringah Gymnastics Club Limited**  
**ABN 49 155 260 343**  
**Statement of Financial Position**  
**As at 31 December 2023**

	Notes	2023 \$	2022 \$
<b>Current assets</b>			
Cash and cash equivalents	10	860,447	1,306,051
Accounts and other receivables	11	281,151	42,445
Inventories	12	51,311	37,779
Lease receivables	13	66,360	73,351
Other assets	14	46,634	32,823
<b>Total current assets</b>		<b>1,305,903</b>	<b>1,492,449</b>
<b>Non-current assets</b>			
Lease receivables	13	-	69,979
Other assets	14	110,000	110,000
Property, plant and equipment	15	179,418	208,963
Intangible assets	16	130,152	108,689
Financial assets	17	4,737	3,942
Right of use assets	18	151,850	503,868
<b>Total non-current assets</b>		<b>576,157</b>	<b>1,005,441</b>
<b>Total assets</b>		<b>1,882,060</b>	<b>2,497,890</b>
<b>Current liabilities</b>			
Accounts and other payables	19	186,533	158,232
Other liabilities	20	346,519	170,450
Employee provisions	21	139,111	137,095
Lease liabilities	22	249,029	441,599
Borrowings	23	1,785	-
<b>Total current liabilities</b>		<b>922,977</b>	<b>907,376</b>
<b>Non-current liabilities</b>			
Employee provisions	21	79,952	56,264
Lease liabilities	22	-	244,279
Borrowings	23	56,241	87,776
<b>Total non-current liabilities</b>		<b>136,193</b>	<b>388,319</b>
<b>Total liabilities</b>		<b>1,059,170</b>	<b>1,295,695</b>
<b>Net assets</b>		<b>822,890</b>	<b>1,202,195</b>
<b>Members' funds</b>			
Reserves	24	762	(34)
Retained surplus	25	822,128	1,202,228
<b>Total members' funds</b>		<b>822,890</b>	<b>1,202,195</b>

This statement should be read in conjunction with the notes to the financial statements.

**Manly Warringah Gymnastics Club Limited**  
**ABN 49 155 260 343**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2023**

	Notes	2023 \$	2022 \$
<hr/>			
<b>Reserves</b>			
Opening balance		(34)	(410)
Other comprehensive income		796	376
Closing balance		<u>762</u>	<u>(34)</u>
 <b>Retained earnings</b>			
Opening balance		1,202,228	1,254,449
Other comprehensive income		<u>(380,100)</u>	<u>(52,221)</u>
Closing balance		<u>822,128</u>	<u>1,202,228</u>

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This statement should be read in conjunction with the notes to the financial statements.

**Manly Warringah Gymnastics Club Limited**  
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**Statement of Cash Flows**  
**For the year ended 31 December 2023**

	Notes	2023 \$	2022 \$
<b>Receipts from Operating services</b>			
Sale of goods and services		2,625,286	2,405,669
Fundraising		11,906	-
Sponsorships & grants		305,256	48,600
Investment income		126	92
Interest income - financial assets		13,722	3,003
Other revenue		98,460	4,931
Rental income		30,906	91,133
Employee contribution		12,651	-
Payments to clients, suppliers and employees		(3,481,392)	(2,626,912)
<b>Net cash generated by operating activities</b>	<b>10</b>	<b>(383,079)</b>	<b>(73,484)</b>
<b>Cash Flows from investing activities</b>			
Purchase for property, plant and equipment		(38,484)	(138,053)
Proceeds from disposal of property, plant and equipment		14,002	-
<b>Net cash (used in)/generated by investing activities</b>		<b>(24,482)</b>	<b>(138,053)</b>
<b>Cash Flows from financing activities</b>			
Proceeds from borrowings		-	100,000
Repayment of borrowings		(38,044)	(15,231)
<b>Net cash (used in)/generated by financing activities</b>		<b>(38,044)</b>	<b>84,769</b>
<b>Net increase in cash and cash equivalents</b>		<b>(445,605)</b>	<b>(126,768)</b>
Cash and cash equivalents at the beginning of the financial year		<b>1,306,052</b>	<b>1,432,820</b>
<b>Cash and cash equivalent at the end of the financial year</b>	<b>10</b>	<b>860,447</b>	<b>1,306,052</b>

This statement should be read in conjunction with the notes to the financial statements.

**Manly Warringah Gymnastics Club Limited**  
**ABN 49 155 260 343**  
**Notes to the financial statements**

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The financial statements cover Manly Warringah Gymnastics Club Limited as an individual entity, incorporated and domiciled in Australia. Manly Warringah Gymnastics Club Limited is a company limited by guarantee.

The financial statements were authorised for issue on the signing date by the directors of the Entity.

**Basis of preparation**

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. 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**

**Revenue**

Revenue comprises revenue from fundraising, grants, donations, insurance recovery, school programmes and member's contributions.

Revenue is measured by reference to the fair value of consideration received or receivable by the Club for goods supplied and services provided, excluding GST.

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the company's different activities have been met. Details of the activity-specific recognition criteria are described below.

*Sale of goods*

Revenue from the sale of goods comprises revenue earned from the sale of goods donated and purchased for resale. Sales revenue is recognised when the control of goods passes to the customer.

*Member contributions*

Fees charged for services provided to clients are recognised when the service is provided.

**Manly Warringah Gymnastics Club Limited**  
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**Notes to the financial statements**

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*Donations and Grants*

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

When both these conditions are satisfied, the Entity:

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

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

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

*Interest and dividend income*

Interest and dividend income are recognised at the time the right to receive payment is established.

**Inventories**

*Goods for resale*

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost or for nominal consideration are measured at the current replacement cost as at the date of acquisition.

**Manly Warringah Gymnastics Club Limited**  
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**Notes to the financial statements**

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**Fair Value of Assets and Liabilities**

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

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

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

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

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

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

**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 losses.

**Manly Warringah Gymnastics Club Limited**  
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*Plant and equipment.*

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 2.7 for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Plant and equipment that have been contributed at no cost or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

*Depreciation*

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Asset	Depreciation Rate %
Plant and equipment	13 – 23%
Other furniture and equipment	10 – 40%
Motor vehicles	18%
Other	20%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.



**Manly Warringah Gymnastics Club Limited**  
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## **Leases**

### **The Entity as lessee**

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

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

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

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

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

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

### **The Entity as lessor**

The Entity leases some rooms in their building to external parties.

Upon entering into each contract as a lessor, the Entity assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

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

Initial direct costs incurred in entering into an operating lease (e.g. legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Rental income due under finance leases are recognised as receivables at the amount of the Entity's net investment in the leases.

When a contract is determined to include lease and non-lease components, the Entity applies AASB 15 to allocate the consideration under the contract to each component.

### **Financial Instruments**

#### **Initial recognition and measurement**

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

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

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient has been applied as specified in AASB 15.63.

#### **Classification and subsequent measurement**

##### **Financial liabilities**

Financial liabilities are subsequently measured at:

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

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

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

All other financial liabilities are subsequently measured at fair value, amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

**Manly Warringah Gymnastics Club Limited**  
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**Notes to the financial statements**

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

A financial liability is held for trading if it is:

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

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

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

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

A financial liability cannot be reclassified.

#### Financial asset

Financial assets are subsequently measured at:

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

On the basis of the two primary criteria, being:

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

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

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

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

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

This statement should be read in conjunction with the notes to the financial statements.

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- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

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

The entity initially designates financial instruments as measured at fair value through profit or loss if:

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

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

#### Equity instruments

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

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

#### Derecognition

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

##### Derecognition of financial liabilities

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

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

##### Derecognition of financial assets

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

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

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

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

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

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

**Impairment**

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

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

Loss allowance is not recognised for:

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

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

The entity used the following approaches to impairment, as applicable under AASB 9:

- the general approach.
- the simplified approach.

This statement should be read in conjunction with the notes to the financial statements.

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

**General approach**

Under the general approach, at each reporting period, the entity assessed whether the financial instruments are credit impaired, and if:

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

**Simplified approach**

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

This approach is applicable to:

- trade receivables; and
- lease receivables.

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

**Purchased or originated credit-impaired approach**

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

Evidence of credit impairment includes:

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

**Low credit risk operational simplification approach**

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This statement should be read in conjunction with the notes to the financial statements.

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

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

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

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

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

**Recognition of expected credit losses in financial statements**

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

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

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

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

**Impairment of Assets**

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

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

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

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

### **Employee provisions**

#### *Short-term employee provisions*

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

#### *Other long-term employee provisions*

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

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

### **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

### **Accounts Receivable and Other Debtors**

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold. Receivables expected to be collected within 12 months of



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the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Account receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 2.6 for further discussion on the determination of impairment losses.

**Goods and Services Tax (GST)**

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

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

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

**Income Tax**

No provision for income tax has been raised as the company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

**Provisions**

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**Reserves**

Other components of equity include the following:

AFS financial assets reserves – comprises gains and losses relating to these types of financial instruments.

Retained earnings include all current and prior period retained surpluses.

**Comparatives**

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

**Manly Warringah Gymnastics Club Limited**  
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When the Entity retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period, in addition to the minimum comparative financial statements, must be disclosed.

**Critical accounting estimates and judgements**

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

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	Notes	2023 \$	2022 \$
<b>2 Revenue</b>			
Sale of goods and services		2,684,128	2,689,260
Fundraising		11,906	-
Sponsorships & grants		305,256	48,600
Investment income		126	92
Interest income - financial assets		13,722	3,003
Interest income - lease receivables		7,710	16,803
		<u>3,022,848</u>	<u>2,757,758</u>
<b>3 Other revenue</b>			
Other revenue		22,116	4,931
Rental income		30,906	12,407
Employee contribution		12,651	-
		<u>65,673</u>	<u>17,338</u>
<b>4 Audit, legal and consultancy fees</b>			
Audit fees - audit services		12,131	12,055
<b>5 Depreciation and amortisation expenses</b>			
Amortisation - right of use asset		352,018	295,994
Amortisation - others		-	6,621
Depreciation		62,362	96,943
		<u>414,380</u>	<u>399,558</u>
<b>7 Finance costs</b>			
Interest - lease liabilities		52,901	88,610
Interest - others		6,509	3,007
		<u>59,410</u>	<u>91,617</u>
<b>6 Employee benefits expenses</b>			
Wages and salaries on cost		2,050,918	1,733,599
Workers compensation insurance		45,342	44,721
Superannuation expenses		217,527	142,308
Employee benefits		25,704	19,367
		<u>2,339,491</u>	<u>1,939,995</u>
<b>8 Fundraising expenses</b>			
Fundraising expenses		3,424	-
<b>9 Fair value gains/(losses) on financial assets</b>			
Market revaluation of financial assets		796	376
<b>10 Cash and cash equivalents</b>			
<b>Current</b>			
Cash at bank		859,777	1,305,296
Cash on hand		670	755
		<u>860,447</u>	<u>1,306,051</u>

This statement should be read in conjunction with the notes to the financial statements.

**Manly Warringah Gymnastics Club Limited**  
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Notes	2023 \$	2022 \$
<b>Reconciliation to Statement of Cash Flows</b>		
For the purpose of the Statement of Cash Flows, cash is comprised of the following:		
Cash at bank	859,777	1,305,296
Cash on hand	670	755
	<u>860,447</u>	<u>1,306,051</u>
<b>Reconciliation of net surpluses after tax to net cashflows from operations</b>		
Net current year surplus/(deficit)	(380,100)	(52,220)
Adjustment:		
Amortisation expenses	-	6,621
Depreciation expenses	62,362	96,943
Interest paid	6,509	3,007
Profit on disposal	(8,336)	-
<b>Changes in working capital:</b>		
(Increase)/decrease in receivables	(157,940)	(35,209)
(Increase)/decrease in inventories	(13,532)	(5,140)
(Increase)/decrease in other assets	316,744	59,021
Increase/(decrease) in other liabilities	(260,780)	(191,686)
Increase/(decrease) in trade payables	26,290	25,812
Increase/(decrease) in Employee provisions	25,704	19,367
<b>Net cash flows from operating activities</b>	<u>(383,079)</u>	<u>(73,485)</u>
<b>11 Accounts and other receivables</b>		
<b>Current</b>		
Trade receivables	281,151	42,445
	<u>281,151</u>	<u>42,445</u>
<b>12 Inventories</b>		
<b>Current</b>		
Inventories	51,311	37,779
	<u>51,311</u>	<u>37,779</u>
<b>13 Lease receivables</b>		
<b>Current</b>		
Lease receivables	66,360	73,351
	<u>66,360</u>	<u>73,351</u>
<b>Non Current</b>		
Lease receivables	-	69,979
	<u>-</u>	<u>69,979</u>
<b>14 Other assets</b>		
<b>Current</b>		
Prepayments	46,634	32,823
	<u>46,634</u>	<u>32,823</u>
<b>Non Current</b>		
Bonds	110,000	110,000
	<u>110,000</u>	<u>110,000</u>

This statement should be read in conjunction with the notes to the financial statements.

**Manly Warringah Gymnastics Club Limited**  
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	Notes	2023 \$	2022 \$
<hr/>			
<b>15 Property, plant and equipment</b>			
Plant and equipment		910,376	895,983
Less: Accumulated Depreciation		(771,317)	(742,984)
		<u>139,059</u>	<u>152,999</u>
Leasehold Improvements		986,005	986,005
Less: Accumulated Depreciation		(967,254)	(936,053)
		<u>18,751</u>	<u>49,952</u>
Motor Vehicles		24,091	15,493
Less: Accumulated Depreciation		(2,483)	(9,482)
		<u>21,608</u>	<u>6,011</u>
<b>Total</b>		<u><u>179,418</u></u>	<u><u>208,963</u></u>
Reconciliations of the carrying amounts			
<b>Plant and equipment</b>			
Opening balance		152,999	48,844
Additions		14,393	165,069
Depreciation		(28,333)	(60,914)
		<u>139,059</u>	<u>152,999</u>
<b>Leasehold Improvements</b>			
Opening balance		49,952	111,060
Depreciation		(31,201)	(61,108)
		<u>18,751</u>	<u>49,952</u>
<b>Motor Vehicles</b>			
Opening balance		6,011	7,948
Additions		24,091	-
Depreciation		(2,483)	-
Disposal		(6,011)	(1,937)
		<u>21,608</u>	<u>6,011</u>
Carrying amount		<u>179,418</u>	<u>208,963</u>
<b>16 Intangible assets</b>			
Preliminary expenses		130,152	108,689
		<u>130,152</u>	<u>108,689</u>
Recovery of the carry amount for Preliminary expense is dependent on the successful completion of the Nolan Reserve Project.			
<b>17 Financial assets</b>			
Listed securities		4,737	3,942
		<u>4,737</u>	<u>3,942</u>

This statement should be read in conjunction with the notes to the financial statements.

**Manly Warringah Gymnastics Club Limited**  
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Notes	2023 \$	2022 \$
<b>Financial assets and liabilities</b>		
The carrying amounts presented in the statement of financial position relate to the following categories of assets		
<b>Financial assets</b>		
Cash and cash equivalents	860,447	1,306,051
Available for sale financial assets		
- securities	4,737	3,942
Loans and receivables		
current		
- accounts and other receivables	281,151	42,445
- lease receivables	66,360	73,351
	<u>1,212,695</u>	<u>1,425,789</u>
<b>Financial liabilities</b>		
measured at amortised cost		
current		
- accounts and other payables	186,533	158,233
- lease liabilities	249,029	441,599
	<u>435,562</u>	<u>599,831</u>
<b>18 Right of use assets</b>		
<b>Non Current</b>		
Right of use assets	151,850	503,868
	<u>151,850</u>	<u>503,868</u>
Right of use		
Opening balance	503,868	682,947
Net revaluation on interest rate movement	-	116,915
Amortisation - right of use asset	(352,018)	(295,994)
Closing balance	<u>151,850</u>	<u>503,868</u>
Lease receivables		
Current	66,360	73,351
Non current	-	69,979
	<u>66,360</u>	<u>143,330</u>
Lease liabilities		
Current	249,029	441,599
Non current	-	244,279
	<u>249,029</u>	<u>685,878</u>
<b>19 Accounts and other payables</b>		
<b>Current</b>		
Trade payables	40,059	49,534
Other payables and accruals	146,474	108,698
	<u>186,533</u>	<u>158,233</u>

This statement should be read in conjunction with the notes to the financial statements.

**Manly Warringah Gymnastics Club Limited**  
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	Notes	2023 \$	2022 \$
<b>20 Other liabilities</b>			
<b>Current</b>			
Deferred revenue		346,519	170,450
		<u>346,519</u>	<u>170,450</u>
<b>21 Employee provisions</b>			
<b>Current</b>			
Annual leave		132,219	131,160
Long service leave		6,892	5,935
		<u>139,111</u>	<u>137,095</u>
<b>Non Current</b>			
Long service leave		79,952	56,264
		<u>79,952</u>	<u>56,264</u>
There were 64 employees at the end of the year			
<b>22 Lease liabilities</b>			
<b>Current</b>			
<b>Unsecured</b>			
Lease liabilities		249,029	441,599
		<u>249,029</u>	<u>441,599</u>
<b>Non Current</b>			
<b>Unsecured</b>			
Lease liabilities		-	244,279
		<u>-</u>	<u>244,279</u>
<b>23 Borrowings</b>			
<b>Current</b>			
<b>Unsecured</b>			
Credit cards		1,785	-
		<u>1,785</u>	<u>-</u>
<b>Non Current</b>			
<b>Unsecured</b>			
Borrowings		56,241	87,776
		<u>56,241</u>	<u>87,776</u>
<b>24 Reserves</b>			
<b>Movements in reserves:</b>			
Balance at beginning of financial year		(34)	(410)
Revaluation		796	376
Balance at end of financial year		<u>762</u>	<u>(34)</u>
<b>25 Retained surplus</b>			
Balance at beginning of financial year		1,202,228	1,254,449
Net current year surplus/(deficit)		(380,100)	(52,221)
Balance at end of financial year		<u>822,128</u>	<u>1,202,228</u>
<b>26 Related parties transactions</b>			
Total key management personnel remuneration		206,514	156,415

This statement should be read in conjunction with the notes to the financial statements.

**Manly Warringah Gymnastics Club Limited**  
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**27. Capital commitments**

There is no capital commitment made for 2024 financial year.

**28. Contingent Liabilities**

There are no contingent liabilities that the board members are aware of that will have material effects to the financial reports.

**29. Events Subsequent to Reporting Date**

There are no events subsequent to reporting date that the board members are aware of that will have material effects to the financial reports.

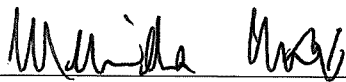


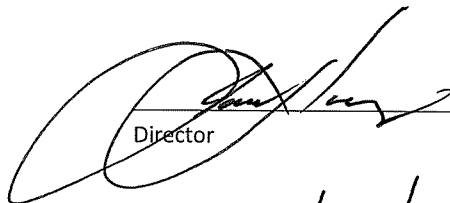
**Manly Warringah Gymnastics Club Limited**  
**ABN 49 155 260 343**  
**Directors' Declaration**

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In accordance with a resolution of the directors of Manly Warringah Gymnastics Club Limited, the directors declare that:

1. The financial statements and notes, as set out on pages 9-32, are in accordance with the Corporations Act 2001 and:
  - a. comply with Australian Accounting Standards; and
  - b. give a true and fair view of the financial position of the Entity as at 31 December 2023 and of its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

Date: 22/05/2024

**Leslie Pines CA**  
**Chartered Accountant**

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**Leslie Pines**

ABN 87 801 065 160

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## INDEPENDENT AUDITOR'S REPORT

To the members of Manly Warringah Gymnasium Club Limited

### Opinion

I have audited the financial report of Manly Warringah Gymnasium Club Limited (the Entity), which comprises the statement of financial position as at 31 December 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 director's declaration

In my opinion, the accompanying financial report of the registered entity is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the registered entity's financial position as at 31<sup>st</sup> December 2023 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001

### Basis for Opinion

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

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

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

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

The Directors are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 31 December 2023, but does not include the financial report and my auditor's report thereon.

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

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

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

## **Responsibilities of Management and Those Charged with Governance for the Financial Report**

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards 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 Entity'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 intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Report**

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose

of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am 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 my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the registered entity to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the registered entity audit. I remain solely responsible for my audit opinion.

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



Leslie Pines

Dated this 24<sup>th</sup> day of May 2024

Suite 1, 102 Spofforth Street Cremorne NSW 2090