COOGEE DIGGERS LIMITED

ACN 001 002 339

FINANCIAL STATEMENTS
AS AT 31ST DECEMBER 2023

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DIRECTORS' REPORT

The Directors of Coogee Diggers Limited ("the company") present their report together with the financial statements on the company for the financial year ended 31 December 2023 and the Independent Audit Report thereon. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Directors

The names of the Directors of the company during or since the end of the year are:

Steve Despea	President
Michael Gerethy	Vice - President
Sarina Ann Jackson	Honorary Treasurer
Kay Maree Halls	
Louise Kirkwood	
Adrian Sutter	
Ewen Beard	

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

Principal activities

The principal activity of the Club during the year was the conducting of a licensed club.

There have been no significant changes in the nature of that activity during the year.

Short-term objectives

The company's short-term objectives are to:
- Continue to provide outstanding services and support to the community of Coogee/Randwick as well as the Coogee Randwick Clovelly RSL Sub-Branch.
- Improve Club profitability.
- Continue to provide high quality/good value recreational and leisure facilities and services.

Long-term objectives

The company's long-term objectives are to:
- Increase diversity in Club revenue streams.
- Ensure long-term viability of the Club.

Strategy for achieving short and long term objectives

To achieve these objectives, the company has adopted the following strategies:
- Provide ongoing high level of customer service.
- Continue to successfully promote products and services to members and the local community.
- Continue to strictly control expenditure.
- Constantly analyse member demographics and adjust Club offerings to suit changing member requirements and expectations.
- Prudent financial investment in the building infrastructure and operations to drive the Club forward for the long term while continuing to diversify income streams.

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Measurement of Success

Management and the Board monitor the Club's overall performance, from the implementation of strategic and operational plans through to the performance of the Club against those plans and financial budgets.

The Board, together with management, have identified key performance indicators (KPIs) that are used to monitor performance. The KPI's include food and beverage gross profit, wages as a % of revenue in individual trading areas and overall, gaming machine return to player minimum and EBITDA as a % of revenue.

Key management monitor these KPIs on a regular basis. The Board receive the KPIs for review on a monthly basis.

Information on Directors

Steve Despea	Managing Consultant Director for 20 years	President of Club Chairman of Board of Directors
Michael Gerethy	Production Manager Director for 19 years	Vice-President of Club
Kay Maree Halls	Sales Manager Director for 21 years	
Sarina Ann Jackson	Solicitor Director for 15 years	Honorary Treasurer
Louise Kirkwood	Psychologist & Human Performance Specialist Director for 4 years	
Adrian Sutter	Chief Executive Officer Director for 2 years	
Ewen Beard	Sales manager Director for 2 years	

Information on Secretary

Peter Gallagher was appointed Secretary and General Manager of the Club in June 2019.

Mr Gallagher has held the following positions –

- Chief Executive Officer – Registered Clubs industry
- Chief Executive Officer – Not for profit industry
- General Manager – Not For profit industry
- Senior Advisor – Not for profit industry

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Meetings of Directors

The number of Directors' meetings and the number of meetings attended by each of the Directors of the Club during the financial year are:

Board Meetings

	Eligible	Attended
S. Despea	11	9
M. Gerethy	11	11
K. Halls	11	8
S. Jackson	11	4
L. Kirkwood	11	10
A.Sutter	11	9
E. Beard	11	8

Limited by Guarantee

The company is incorporated under the *Corporations 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 $2 each towards meeting any outstanding obligations of the company. At 31 December 2023, the total amount that members of the company are liable to contribute if the company is wound up is $24,804 (2022: $22,804)

Auditor's independence Declaration

A copy of the Auditor's Independence Declaration as required under s.307C of the *Corporations Act 2001* is included on page 4 of the financial report and forms part of the Directors' Report.

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

S. A. Jackson, Director

M. Gerethy, Director

Sydney:

6 May 2024

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF COOGEE DIGGERS LIMITED

In accordance with s 307C of the Corporations Act 2001, I am pleased to provide the following declaration of Independence to the directors of Coogee Diggers Limited.
As the lead audit partner for the audit of the financial report of Coogee Diggers Limited for the year ended 31/12/2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

CONROY AUDIT & ADVISORY
Chartered Accountants

D R Conroy

Principal

Date
06.05.24

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER 2023

	Note	2023 $	2022 $
Sales revenue			
- Bar		1,065,653	1,201,797
- Bistro		610,050	682,430
		1,675,703	1,884,227
Cost of sales		(791,761)	(815,057)
Gross profit		883,942	1,069,170
Poker machine revenue		904,755	1,531,281
Fitness area revenue		3,373,099	2,491,166
Swim School Revenue		568,813	502,540
Commission			
- ATM & Vending machines		15,972	22,419
- Keno & T.A.B. agency		42,951	49,154
Federal Government – Energy Efficiency Grant		25,000	-
NSW Government Alfresco rebate		-	4,545
Sale of poker machine entitlements		45,000	122,550
Proceeds from legal settlements		197,500	96,441
Function room hiring charges		7,650	11,914
Interest received		197	39
Subscriptions received		19,439	59,738
Sundry income		9,111	18,032
Rent received		192,030	193,318
Profit on disposal of property, plant & equipment		-	36,720
Personnel expenses		(1,595,620)	(1,741,659)
Poker machine duty		(26,238)	(163,285)
Poker machine expenses		(57,988)	(65,064)
Entertainment, amenities		(386,617)	(304,992)
Interest paid		(78,061)	(84,434)
General overheads		(460,161)	(373,854)
Other finance costs		(40,609)	(38,726)
Gas, electricity and rates		(231,134)	(237,917)
Cleaning and maintenance		(524,773)	(397,825)
Depreciation		(665,272)	(627,570)
Loss on disposal of property, plant & equipment		-	(1,672,466)
Surplus before income tax		2,218,986	501,235
Income tax expense	2	-	-
Surplus for the year		2,218,986	501,235
Other comprehensive income			
Items that will not be classified subsequently to profit or loss:			
- Revaluation of land and building		2,271,215	-
Other comprehensive income for the period		2,271,215	501,235
Total comprehensive profit/(loss) for the period		4,490,201	501,235

The accompanying Notes form part of these Financial Statements

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STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2023

	Note	2023 $	2022 $
CURRENT ASSETS			
Cash and cash equivalents	3	507,610	501,373
Trade and other receivables	4	369,752	85,403
Inventories	5	56,552	68,139
Financial assets	6	5,000	5,000
Other assets	7	96,592	59,046
TOTAL CURRENT ASSETS		1,035,506	718,961
NON-CURRENT ASSETS			
Other assets	7	-	2,287
Property, plant and equipment	8	27,206,964	21,776,902
TOTAL NON-CURRENT ASSETS		27,206,964	21,779,189
TOTAL ASSETS		28,242,470	22,498,150
CURRENT LIABILITIES			
Trade and other payables	9	993,704	547,330
Financial liabilities	10	866,789	376,398
Provisions	11	120,257	127,948
Other liabilities	12	192,419	286,105
TOTAL CURRENT LIABILITIES		2,173,169	1,337,781
NON-CURRENT LIABILITIES			
Financial liabilities	10	1,600,000	1,182,284
Provisions	11	19,549	10,345
Other liabilities	12	5,091	13,280
TOTAL NON-CURRENT LIABILITIES		1,624,640	1,205,909
TOTAL LIABILITIES		3,797,809	2,543,690
NET ASSETS		24,444,661	19,954,460
EQUITY			
Reserves		17,434,668	15,163,453
Accumulated funds		7,009,993	4,791,007
TOTAL EQUITY		24,444,661	19,954,460

The accompanying Notes form part of the Financial Statements

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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2023

	Accumulated Funds	Reserves	Total
	$	$	$
Balance at 1 January 2022	4,289,772	15,163,453	19,453,225
Comprehensive income			
Surplus for the year	501,235	-	501,235
Other comprehensive income	-	-	-
Total comprehensive income	501,235	-	501,235
Balance at 31 December 2022	4,791,007	15,163,453	19,954,460
Balance at 1 January 2023	4,791,007	15,163,453	19,954,460
Comprehensive income			
Surplus for the year	2,218,986	-	2,218,986
Other comprehensive income	-	2,271,215	2,271,215
Total comprehensive income	2,218,986	2,271,215	4,490,201
Balance at 31 December 2023	7,009,993	17,434,668	24,444,661

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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER 2023

	Note	2023 $	2022 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and visitors		7,313,651	7,442,590
Payments to suppliers and employees		(4,898,056)	(4,319,660)
GST paid		(78,456)	(342,958)
Interest paid		(78,061)	(84,433)
Interest received		197	39
Net cash provided by operating activities		2,259,275	2,695,578
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(3,161,145)	(1,085,975)
Proceeds from sale of property, plant and equipment		-	12,240
Net cash (used in) investing activities		(3,161,145)	(1,073,735)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds on borrowing		2,314,763	-
Repayment of borrowings		(1,406,656)	(1,851,150)
Net cash provided by financing activities		908,107	(1,851,150)
Net increase/(decrease) in cash held		6,237	(229,307)
Cash at the beginning of the year		501,373	730,680
Cash at the end of the year	3	507,610	501,373

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NOTES TO THE DECEMBER 2023 FINANCIAL STATEMENTS

General information and statement of compliance

The financial statements are for the entity Coogee Diggers Limited as an individual entity. Coogee Diggers Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 6 May 2024 by the Directors of the company.

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures (SD) of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements are in Australian Dollars and have been rounded to the nearest dollar.

The financial statements are signed in accordance with a resolution of the directors.

Going Concern

The Club has current liabilities which are in excess of current assets by $1,137,663. Having spent much of the generated profit and cashflow on improvements on the Club’s Property, Plant and Equipment. The Club generated this year a net profit of $2,218,986. (2022: $501,235) with an EBITDA of 42%. The Directors are confident the Club’s profitability and cashflows will continue moving forward and reflects the benefits and growing revenue generation arising from the Club’s alterations and improvements and the Director’s and management’s strategies.

Net cash inflows from operating activities were $2,259,275 in the 2023 financial year. Current projections indicate that net cash inflows are expected to remain and further improve in the current financial year.

Ongoing costs are being reviewed and controlled throughout the Club.

NOTE 1- STATEMENT OF ACCOUNTING POLICIES (Continued)

The Directors did not adjust the financial statements in relation to this uncertainty. The Directors are satisfied that the going concern basis of preparation is appropriate. The financial statements have therefore been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Revenue from contracts with members

Revenue is recognised at an amount that reflects the consideration to which the Club is expected to be entitled in exchange for transferring goods or services to a member. For each contract with a member, the Company identifies the contract with a member; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the member of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the member such as discounts, rebates and refunds, any potential bonuses receivable from the member and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

The company applies the following 5-step model for revenue recognition related to contracts with customers:

i. Identify the contract(s) with customer;
ii. Identify the performance obligation in the contract;
iii. Determine the transaction price;
iv. Allocate the transaction price to the performance obligation in the contract;
v. Recognise revenue when or as the entity satisfied in performance obligations.

The company recognises sales revenue related to the transfer of promised goods or services when a performance obligation is satisfied and when control of the goods or services passes to the customer. The amount of revenue recognised reflects the consideration to which the company is or expects to be entitled in exchange for those goods or services.

The company recognises revenue predominantly from the following services:

Poker machine revenue

Poker machine revenue is the net difference between gaming wins and losses and is recognised at a point in time upon the outcome of the game.

Food and beverages revenue

Food and beverage revenue is recognised at a point in time as the goods are provided.

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NOTES TO THE DECEMBER 2023 FINANCIAL STATEMENTS

NOTE 1- STATEMENT OF ACCOUNTING POLICIES (Continued)

Revenue from contracts with members (continued)

Fitness and swim school, subscription revenue

Fitness, swim school and subscription are recognised when services have been provided.

Other revenue

Other revenue is recognised on an accruals basis when the Company is entitled to it.

Property, Plant and Equipment

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

Freehold Property

Land and Building is stated at re-valued amounts. Revalued amounts are fair market values based on appraisals prepared by external professional valuers at least once every five years or more frequently if market factors indicate a material change in fair value.

Any revaluation surplus arising upon appraisal of land is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decreases or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

As no finite useful life for land can be determined, related carrying amounts are not depreciated.

Plant and Equipment

Plant and equipment are measured on the cost basis and is therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event that 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 in statement of profit or loss and other comprehensive income.

Depreciation

The depreciation amount of all fixed assets, including buildings 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.

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NOTES TO THE DECEMBER 2023 FINANCIAL STATEMENTS

NOTE 1- STATEMENT OF ACCOUNTING POLICIES (Continued)

Property, Plant and Equipment (continued)

Depreciation rates used are:

Buildings and swimming pool	2.5% - 5.0%
Carpets	15.0%
Plant, furniture, fittings and equipment	10.0% - 50.0%
Poker machines	25.0%

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the statement of profit or loss and other comprehensive income.

Impairment of tangible and intangible assets

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is objective evidence that a financial asset has been impaired. If such indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than it's carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories.

Income Tax

The *Income Tax Assessment Act 1936*, as amended, provides that clubs are only assessed for income tax on the proportion of income derived from non-members under the principle of mutuality. Due to the special basis for calculation of taxable income of clubs, it is not appropriate to compare tax payable with the net income disclosed in statement of profit or loss and other comprehensive income.

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NOTES TO THE DECEMBER 2023 FINANCIAL STATEMENTS

NOTE 1- STATEMENT OF ACCOUNTING POLICIES (Continued)

Income Tax (continued)

The amount shown in the financial statements as provision for income tax reflects the estimated balance of income tax payable in respect of the taxable income for the year.

Deferred tax asset is not brought to account in relation to timing differences, where benefits arise due to the different accounting periods in which items of revenue and expense are recognised for accounting and income tax purposes, as the amount of any subsequent benefit cannot be reasonably determined. The amount of deferred tax asset applicable is dependent upon the ratio of non-member income to total income in the year in which the entitlements are paid.

Provisions, contingent liabilities and contingent assets

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote in which case no liability is recognised.

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 the 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 the 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.

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NOTES TO THE DECEMBER 2023 FINANCIAL STATEMENTS

NOTE 1- STATEMENT OF ACCOUNTING POLICIES (Continued)

Leases(continued)

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 to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The entity as lessor
The entity owns rental properties and leases them 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.
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 (for example 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 uses the relative stand-alone price to allocate the consideration under the contract to the lease and non-lease components.

Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required, and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement, plus related on-costs.

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, bond rates and the probability that the employee may satisfy vesting requirements. Changes in the measurement of the liability are recognised in profit or loss.

Contributions are made by the company on behalf of its employees to various employee superannuation funds and are charged as an expense when incurred.

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NOTES TO THE DECEMBER 2023 FINANCIAL STATEMENTS

NOTE 1- STATEMENT OF ACCOUNTING POLICIES (Continued)

Financial Instruments

Financial instruments are recognised initially 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

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Club classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

In the periods presented the Company does not have any financial assets categorised as FVOCI.

All revenue and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as long-term deposit that were previously classified as held-to- maturity under AASB 139.

Impairment of Financial assets

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

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NOTES TO THE DECEMBER 2023 FINANCIAL STATEMENTS

NOTE 1- STATEMENT OF ACCOUNTING POLICIES (Continued)

Impairment of Financial assets (continued)

The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

The Company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assesses impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Company's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The Company's financial liabilities include borrowings and trade and other payable.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through profit or loss (FVTPL), that are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

COOGEE DIGGERS LIMITED
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NOTES TO THE DECEMBER 2023 FINANCIAL STATEMENTS

NOTE 1- STATEMENT OF ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

Reserves

Other components of equity include the following:

- revaluation reserve – comprises gains and losses from the revaluation of land and building.

Accumulated funds include all current and prior period accumulated funds.

Critical accounting judgements, estimates and assumptions

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.

NOTE 1- STATEMENT OF ACCOUNTING POLICIES (Continued)

Significant management judgement in applying accounting policies (Continued)

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.

Long service leave

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future 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.

Comparative Figures

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

The Notes to the Financial Statements

The notes present information that is relevant to an understanding of the material items contained in the financial statements. The notes give prominence to areas of the Club's activities that are considered to be most relevant to an understanding of the statement of financial position and the profit or loss and other comprehensive income and statement of changes in members' funds and cashflows and are cross referenced to those statements.

COOGEE DIGGERS LIMITED
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NOTES TO THE DECEMBER 2023 FINANCIAL STATEMENTS

NOTE 2 – REVENUE

	2023 $	2022 $
Trading sales		
- Bar	1,065,653	1,201,797
- Bistro	610,050	682,430
	1,675,703	1,884,227
Rendering of services		
- Poker machine revenue	904,755	1,531,281
- Fitness Area revenue	3,373,099	2,491,166
- Swim School revenue	568,813	502,540
- Commission	58,923	71,573
- Function room hiring charges	7,650	11,914
	4,913,240	4,608,474
Other income		
- NSW Government grants	-	4,545
- Federal Government grant	25,000	-
- Sale of poker machine entitlements	45,000	122,550
- Legal settlement	197,500	96,441
- Interest received	197	39
- Subscriptions received	19,439	59,738
- Sundry income	9,111	18,032
- Rent received	192,030	193,318
- Profit on disposal of property plant & equipment	-	36,720
	488,277	531,383
Total	7,077,220	7,024,084

NOTE 2a – SIGNIFICANT INCOME AND EXPENSES

	2023 $	2022 $
Expenses		
Loss on disposal of assets	-	1,672,466

NOTE 2b – INCOME TAX

	2023 $	2022 $
Current tax expense	-	-

The prima facie tax on (deficit)/surplus from ordinary activities before income tax expense is reconciled to the income tax as follows:

	2023 $	2022 $
Prima facie tax payable on (deficit)/surplus from ordinary activities before income tax at 25% (2022: 25%)	98.182	31,555
Tax effect of:		
- Tax loss not brought to account	(98,182)	(31,555)
	-	-

COOGEE DIGGERS LIMITED
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NOTES TO THE DECEMBER 2023 FINANCIAL STATEMENTS

	2023 $	2022 $

NOTE 3 – CASH AND CASH EQUIVALENTS

	2023 $	2022 $
Cash on hand - Change funds	153,360	89,529
- Other	3,300	3,300
Cash at bank	350,950	408,544
	507,610	501,373

Cash at the end of the financial year as shown in the statement of cash flows is reconciled in the statement of financial position as follows:

	2023 $	2022 $
Cash on hand - change funds	153,360	89,529
- other	3,300	3,300
Cash at bank	350,950	408,544
	507,610	501,373

NOTE 4 – TRADE & OTHER RECEIVABLES

	2023 $	2022 $
Trade debtors	3,641	-
Other debtors	328,309	85,403
GST Refund	37,802	-
	369,752	85,403

NOTE 5 - INVENTORIES

	2023 $	2022 $
Stock on hand - Bar	41,469	51,981
- Bistro	15,083	16,158
	56,552	68,139

NOTE 6 – FINANCIAL ASSETS

	2023 $	2022 $
Cash on deposit - short term	5,000	5,000

Cash on deposit bears interest at rates of 3.95% at 31 December 2023.

NOTE 7 – OTHER ASSETS

	2023 $	2022 $
CURRENT		
Prepayments	88,721	59,046
Prepaid borrowing costs	7,871	-
	96,592	59,046
NON-CURRENT		
Prepaid borrowing costs	-	2,287

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NOTES TO THE DECEMBER 2023 FINANCIAL STATEMENTS

NOTE 8 - PROPERTY, PLANT AND EQUIPMENT

	2023 $	2022 $
Land and Buildings		
Land and buildings – at revaluation	22,000,000	17,243,142
Less accumulated depreciation	(68,127)	(79,469)
	21,931,873	17,163,673
Buildings - at cost	-	2,016,658
Less accumulated depreciation	-	(89,535)
	-	1,927,123
Capital works in progress	3,284,486	177,203
Total land and buildings	25,216,359	19,267,999
Plant and Equipment		
Plant and equipment - at cost	3,287,890	3,257,109
Less accumulated depreciation	(1,485,343)	(1,036,056)
	1,802,547	2,221,053
Poker machines - at cost	1,512,846	1,530,846
Less accumulated depreciation	(1,324,788)	(1,242,996)
	188,058	287,850
Total plant and equipment	1,990,605	2,508,903
Total property, plant and equipment	27,206,964	21,776,902

MOVEMENT IN CARRYING AMOUNTS

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

2023	Balance at the beginning of the year $	Additions $	Disposals $	Revaluation Increase $	Depreciation $	Carrying amount at the end of the year $
Land & Buildings	19,267,999	3,793,338	-	2,271,215	(116,193)	25,216,359
Plant & Equipment	2,221,053	30,781	-	-	(449,287)	1,802,547
Poker machines	287,850	-	-	-	(99,792)	188,058
	21,776,902	3,824,119	-	2,271,215	(665,272)	27,206,964

The total buildings additions amount of $3,793,338 includes an outstanding amount of $662,974 at 31 December 2023 which has been reflected in the statement of cashflows.

COOGEE DIGGERS LIMITED
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NOTES TO THE DECEMBER 2023 FINANCIAL STATEMENTS

NOTE 8 - PROPERTY, PLANT AND EQUIPMENT (Continued)

LAND AND BUILDINGS

Land and buildings are included in the financial statements at valuation. The land and buildings were valued 06th June 2023 at $22,000,000 by registered valuer, J. Burney, B. App. Sc (Land Econ) FAPI of Cushman & Wakefield (Valuations) Pty. Ltd. on the basis of market value of the unencumbered freehold interest on an 'alternate use basis', subject to the existing tenancy profile.

NOTE 9 - TRADE & OTHER PAYABLES

	2023 $	2022 $
CURRENT		
Trade creditors and accrued expenses	986,546	510,852
GST payable	-	29,320
Gaming tax rebate	7,158	7,158
	993,704	547,330

NOTE 10 – FINANCIAL LIABILITIES

	Note	2023 $	2022 $
CURRENT			
Loan - Commonwealth Bank (secured)	10 a,b	855,150	315,363
Hire purchase liability	15	-	35,576
Lease liability	15	11,639	25,459
		866,789	376,398
NON-CURRENT			
Loans - Commonwealth Bank (secured)	10 a,b	1,600,000	1,170,645
Lease Liability	15	-	11,639
		1,600,000	1,182,284

a. Total current and non-current secured liabilities

	2023 $	2022 $
Commonwealth Bank (Bank loans)	2,455,150	1,486,008
IGT (Hire Purchase Liability)	-	35,576
Fitness Equipment Financing (lease liability)	11,639	37,098
	2,466,789	1,558,682

COOGEE DIGGERS LIMITED
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NOTES TO THE DECEMBER 2023 FINANCIAL STATEMENTS

	2023 $	2022 $

b. The bank loans are secured by:
- Letter of Set off over CBA Term Deposit Account;
- First Registered Equitable Mortgage over whole of the company's assets and undertakings including uncalled capital, Liquor Licence and Poker Machines Permits;
- First Registered Mortgage over non-residential real property located at 2 Byron Street Coogee NSW 2034.

NOTE 11 - PROVISIONS

	2023 $	2022 $
Employee benefits	93,016	90,201
Poker machines progressive and stand alone jackpots	46,790	48,092
	139,806	138,293
Current	120,257	127,948
Non-current	19,549	10,345
	139,806	138,293

NOTE 12 – OTHER LIABILITIES

	2023 $	2022 $
CURRENT		
Rent received in advance	37,978	81,250
Subscriptions in advance	8,189	17,639
Fitness area fees received in advance	87,844	97,733
Swim School fees received in advance	58,408	89,483
	192,419	286,105
NON-CURRENT		
Subscriptions in advance	5,091	13,280

NOTE 13- AUDITOR'S REMUNERATION

Remuneration of the auditor for:

	2023 $	2022 $
Audit services	17,300	16,500
	17,300	16,500

COOGEE DIGGERS LIMITED
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NOTES TO THE DECEMBER 2023 FINANCIAL STATEMENTS

NOTE 14 – CONTINGENT LIABILITIES

There are no contingent liabilities.

NOTE 15 - CAPITAL AND LEASING COMMITMENTS

(a) Capital Commitments

As at 31 December 2023 the Club had a capital commitment for the completion of works on the Club's new ground floor pub and associated works of $1,922,037. (2022: $213,120)

(b) Hire Purchase Commitments:

	2023 $	2022 $
Payable		
- not later than 1 year	11,991	64,431
- later than 1 year but not later than 5 years	-	12,026
Minimum hire purchase payments	11,991	76,457
Less future finance charges	(352)	(3,783)
Total hire purchase liability	11,639	72,674

Lease 1 commenced June 2020 and will be completed May 2024. On final payment the Club will obtain title to the goods, unencumbered.

NOTE 16 - SEGMENT REPORTING

The company operates in one industry, the principal activity being that of a licensed club.

NOTE 17 - RELATED PARTY TRANSACTIONS

	2023 $	2022 $
Entities controlled by Directors		
- provision of legal advice in relation to the preparation of lease documents.	-	1,726
- Provision of legal advice in relation to a GST matter	42,009	-

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other persons, unless otherwise stated.

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NOTES TO THE DECEMBER 2023 FINANCIAL STATEMENTS

NOTE 18 - KEY MANAGEMENT PERSONNEL COMPENSATION

	2023 $	2022 $
Key management personnel compensation:		
Short – term benefits	226,674	225,856
	=======	=======

NOTE 19 – POST-REPORTING EVENTS

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

NOTE 20 – COMPANY DETAILS

The registered office of the company is:

Coogee Diggers Limited
2 Byron Street
COOGEE NSW 2034

COOGEE DIGGERS LIMITED
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DIRECTORS' DECLARATION

1. The Directors of the company:

   a. The financial statements and notes of the company, as set out on pages 5 to 24, are in accordance with the *Corporations Act 2001* and:

      i. comply with Australian Accounting Standards – Simplified Disclosures (SD) applicable to the entity; and

      ii. give a true and fair view of the financial position as at 31 December 2023 and of the performance for the year ended on that date.

   b. 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.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the *Corporations Act 2001*.

------------------ Director
S. A. Jackson

------------------ Director
M. Gerethy

Sydney:

06.05.24

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COOGEE DIGGERS LIMITED

Report on the Audit of Financial Report

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Coogee Diggers Limited (the company), which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Coogee Diggers 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 31 December 2023 and of its financial performance for the year then ended; and
(ii) complying with Australian Accounting Standards – AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and the Corporations Regulations 2001.

Basis for Opinion

"We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the entity in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.
We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Coogee Diggers Limited, would be in the same terms if given to the directors as at the time of this auditor's report."
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 31 December 2023 but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the 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.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to Fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities
or business activities within the entity to express an opinion on the financial report.
We are responsible for the direction, supervision and performance of the entity audit. We remain solely responsible for our audit opinion.

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

CONROY AUDIT & ADVISORY

Chartered Accountants

D R Conroy
Principal

154 Elizabeth Street SYDNEY NSW 2000

Date

06.05 24

Disclosure requirements under section 41E of the Registered Clubs Act 1976

Core and Non-Core Property

Section 41E of the registered clubs act 1976 requires the club to disclose its core and non-core property, as defined, in the annual report.

The Club has no non-core property.

Core property includes Land and Building, at 2 Byron Street, COOGEE NSW 2034

Notes to Members

1. Section 41E (5) of the Registered Clubs Act requires the Annual Report to specify the Club's Core and Non-Core Properties as at the end of the financial year to which the report related to.

2. Core Property is any real Property owned or occupied by the Club that comprises:

(a) the defined premises of the Club; Or

(b) any facility provided by the Club for use of its members and their guests; Or

(c) any other property declared by a resolution passed by a majority of the members present at a general meeting of ordinary members of the Club to be Core Property of the Club.

3. Non-Core Property is any other property, other than that referred to above as Core Property and any property which is declared by the members at a general meeting of ordinary members of the Club not to be Core Property.

4. The significance of the distinction between Core Property and Non-Core Property is that the Club cannot dispose of any Core Property unless;

(a) the property has been valued by a registered valuer within the meaning of the Valuers Act 2003; and

(b) the disposal has been approved at a general meeting of the ordinary members of the Club at which a majority of the votes cast supported the approval; and

(c) any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.