

C.S.I. SPORT AND RECREATION CLUB LIMITED

A.C.N. 001 409 856
A.B.N. 65 001 409 856

FINANCIAL REPORT FOR THE PERIOD ENDING 30 JUNE 2019

FINANCIAL REPORT 30 June 2019

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C.S.I. SPORT AND RECREATION CLUB LIMITED
A.B.N 65 001 409 856

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2019

The Directors present their report on the company for the reporting period ended 30 June 2019.

DIRECTORS

The names of the Directors in office at any time during, or since the end of, the reporting periods are:

Rita Murer	President
Alex Soncini	Vice President
Mario Cocciolone	Treasurer
Daniel Carbone	Secretary
Raymond Nasso	Director
Tania Cimino	Director
Robert Granturco	Director
Rita DiStefano	Director
Steve Ginty	Director

REVIEW OF OPERATIONS

The operations of the Company for aforementioned reporting periods were as follow:

Year ended 30 June 2019 (\$ 79,672)

The Company is exempt from Income Tax.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Based on the strategic plan the Board has developed to refurbish the Club to make it a commercially viable business, there was a need to raise funds to finance the project and provide sufficient working capital. The Board appealed to the Members for expressions of interest to participate in the funding opportunity. Unfortunately, there were no expressions of interest however the Board were successful in securing Private Funding to the value of \$1 million with favourable terms.

PRINCIPAL ACTIVITY

The principal activities of the Company during the reporting period was as a social and recreation club, operating within licensed premises.

ENVIRONMENTAL REGULATION

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Likely developments in the operations of the Company and the expected results of those operations in future reporting periods, aside from the material financial transaction detailed above, have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

C.S.I. SPORT AND RECREATION CLUB LIMITED
A.B.N 65 001 409 856

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2019

CARRY FORWARD ITEMS RELATING TO THE PREVIOUS REPORTING PERIOD

Ongoing negotiations with the RMS related to the compulsory acquisition of the front portion of land and the knock-on effects are still in progress. The relocation of the car spaces lost through the acquisition is the last major item to be finalised. The outstanding 10% payment balance will only be paid when the entire project is completed.

DIVIDENDS

The Company is an Australian Public Company, Limited By Guarantee and pursuant to the Company's Memorandum and Articles of Association is not able to declare a dividend and as such, no dividend is recorded or declared during this reporting period.

OPTIONS

The Company is an Australian Public Company, Limited By Guarantee and pursuant to the Company's Articles of Association is unable to issue any option or other financial instrument as the Company was not incorporated with the issue or release of a or any shares.

INDEMNIFICATION OF OFFICERS

No indemnities have been given by the Company however during the reporting period the Company did implement an insurance policy which contained cover for Directors and Officers insurance and the premium for such a policy was paid for by the Company. The insurance policy provides cover for the directors named in this report, the company secretary, officers and former directors and officers of the company

This policy prohibits the disclosure of the nature of the indemnification, the insurance cover and the amount of the premium. No indemnities have been given or insurance premiums paid, during or since the end of the reporting period, for any person who is or has been an auditor of the company.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purposes of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the reporting period.

C.S.I. SPORT AND RECREATION CLUB LIMITED
A.B.N 65 001 409 856

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2019

MEMBERS GUARANTEE

The Company is a Company limited by guarantee not having share capital. In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to winding up, is limited to \$50.00 for any member, subject to the Company's Memorandum and Articles of Association.

CORE - NON CORE PROPERTY DISCLOSURE

Core – Non Core Property as required under Section 41J of The Registered Clubs Act

The Directors consider the Club's defined premises and all of its facilities to be Core Property. The Directors do not consider the Club to have Non-Core Property.

Section 41J of the Act defines core property as meaning 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 resolution passed by a majority of the members present at a general meeting of the ordinary members of the club, not to be core property of the Club.

Non-core property is defined as meaning any real property owned or occupied by the Club that is not core property.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration has been received for the year ended 30 June 2019 and can be found attached to this financial report.

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



Mrs Rita Murer



Mr. Alessandro Soncini

Dated:

25-10-2019

C.S.I. SPORT AND RECREATION CLUB LIMITED
A.B.N 65 001 409 856

DIRECTORS' DECLARATION FOR THE YEAR ENDED 30 JUNE 2019

In accordance with a resolution of the Directors of C.S.I. Sport and Recreation Club Limited, the Directors declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001 and;
 - (a) comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 financial statements, constitute explicit and unreserved compliance with International Financial Reporting Standards (IFRS).
 - (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Corporations Regulations 2001.
 - (c) give a true and fair view of the company's financial position as at 30 June 2019 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.



Mrs Rita Murer



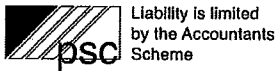
Mr. Alessandro Soncini

Dated:

25-10-2019

Murrie & Co.

STRATEGIC BUSINESS CONSULTANTS



C.S.I. SPORT AND RECREATION CLUB LIMITED
A.B.N 65 001 409 856

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF C.S.I. SPORT AND RECREATION CLUB LIMITED FOR THE YEAR ENDED 30 JUNE 2019

Report on the Financial Report

We have audited the accompanying financial report of C.S.I. Sport and Recreation Club Limited (the company), which comprises the statement of financial position as at 30 June 2019 and the statement of profit and loss, or other comprehensive income (if applicable), for the reporting period then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that give 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Rowsaba Pty Limited Trading As Murrie & Co.
ABN: 15 003 121 097
P.O. Box 2665 • Carlingford 2118
Tel: 0414 234 696 • Email: tom@murrie.com.au

C.S.I. SPORT AND RECREATION CLUB LIMITED
A.B.N 65 001 409 856

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF C.S.I. SPORT AND RECREATION CLUB LIMITED
FOR THE YEAR ENDED 30 JUNE 2019**

Independence

In conducting our audit, we have complied with the independence requirements of the Corporation Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the Directors of C.S.I. Sport and Recreation Club Limited, would be in the same terms if given to the Directors as at the time of the auditor's report.

Auditor's Opinion

In our opinion

- a) the financial report of C.S.I. Sport and Recreation Club Limited is in accordance with the Corporations Act 2001, including:
- i. giving a true and fair view of the Company's financial position as at 30 June 2019 and its performance for the reporting period ended on that date; and
 - ii. complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

Emphasis of Matter

We draw your attention to Note 2r of financial statements.

The company has incurred significant trading losses in six of the last seven years.

The company initially sought funding from its members who were reluctant to participate.

There are significant structural issues in which the Board of Directors must address even allowing for the ability to meet debts as and when they fall due as it would appear that there is a significant reliance on the ability of the company to secure external funding by way of secured / unsecured loans from third parties to satisfy the ongoing financial commitments of the company.

It is not my objective or charter to advise the Board of Directors on how they are to set about rectifying this material concern however, they are also advised that they must ensure that they adhere to the corporate governance practices required of them as individuals and the Club as a whole pursuant to the regulations imposed on the Club within the State of New South Wales.

Our opinion is not qualified in respect of this matter.



T.H. Murrie
Registered Company Auditor
42 Baywater Drive
WENTWORTH POINT NSW 2127

Murrie & Co.

STRATEGIC BUSINESS CONSULTANTS



Liability is limited
by the Accountants
Scheme

C.S.I. SPORT AND RECREATION CLUB LIMITED
A.B.N 65 001 409 856

AUDITOR'S INDEPENDENCE DECLARATION FOR THE YEAR ENDED 30 JUNE 2019

I hereby declare, that to the best of my knowledge and belief, during the year ended 30 June 2019 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Corporations act 2001 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Thomas Murrie
Registered Company Auditor
42 Baywater Drive
WENTWORTH POINT NSW 2127

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C.S.I. SPORT AND RECREATION CLUB LIMITED
A.B.N 65 001 409 856

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Income		43,054	37,517
Cost of Sales		(9,487)	(25,548)
Depreciation, amortisation and impairments		(16,821)	(15,782)
Electricity and gas		(14,047)	(10,321)
Finance expenses		(12,404)	(2,849)
Insurance		(20,410)	(18,293)
Maintenance expenses		(11,123)	(5,366)
Rates and taxes		(10,122)	(17,966)
Other expenses		(28,312)	(40,060)
Profit (loss) before income tax		(79,672)	(98,668)
Income tax expense	2(a)	-	-
Profit (loss) from continuing operations		(79,672)	(98,668)
Other comprehensive income		-	48,580
Profit (loss) for the year		(79,672)	(50,088)
Total comprehensive income (loss) for the year		(79,672)	(50,088)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

C.S.I. SPORT AND RECREATION CLUB LIMITED
A.B.N 65 001 409 856

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents		87,861	25,431
Trade and other receivables		35,696	35,696
Inventories		2,630	2,518
TOTAL CURRENT ASSETS		<u>126,187</u>	<u>63,645</u>
NON-CURRENT ASSETS			
Property, plant and equipment		4,324,159	4,232,326
Intangible assets		151	151
TOTAL NON-CURRENT ASSETS		<u>4,324,310</u>	<u>4,232,477</u>
TOTAL ASSETS		<u>4,450,497</u>	<u>4,296,122</u>
CURRENT LIABILITIES			
Trade and other payables		-	15,952
Borrowings		-	-
TOTAL CURRENT LIABILITIES		<u>-</u>	<u>15,952</u>
NON-CURRENT LIABILITIES			
Borrowings		271,160	21,160
TOTAL NON-CURRENT LIABILITIES		<u>271,160</u>	<u>21,160</u>
TOTAL LIABILITIES		<u>271,160</u>	<u>37,112</u>
NET ASSETS		<u>4,179,337</u>	<u>4,259,010</u>
EQUITY			
Retained earnings		4,179,337	4,259,010
TOTAL EQUITY		<u>4,179,337</u>	<u>4,259,010</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

C.S.I. SPORT AND RECREATION CLUB LIMITED
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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Balance at the beginning of the year as at 1 July 2018		4,259,010	4,309,098
Surplus (deficit) for the year attributable to members		(79,673)	(50,088)
Income tax attributable to operating profit	2(a)	-	-
TOTAL NET COMPREHENSIVE INCOME FOR THE YEAR		<u>4,179,337</u>	<u>4,259,010</u>
Other transactions			
Less: Extraordinary expense relating to prior reporting Periods attributable to members	12	-	-
Add: Revaluation of assets	14	-	-
		<u>4,179,337</u>	<u>4,259,010</u>
CLOSING BALANCE AS AT 30 JUNE 2019		<u><u>4,179,337</u></u>	<u><u>4,259,010</u></u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

C.S.I. SPORT AND RECREATION CLUB LIMITED
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	43,054	37,517
Government Subsidies	-	-
Payments to suppliers and employees	(109,567)	(117,765)
Interest received	-	-
Interest and other finance costs	(12,403)	(2,849)
Net cash provided by (used in) operating activities	(78,916)	(83,097)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	-	-
Purchases of property, plant and equipment	(108,654)	(62,763)
Net cash provided by (used in) investing activities	(108,654)	(62,763)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	250,000	-
Repayments of borrowings	-	(12,315)
Net cash provided by (used in) financing activities	250,000	(12,315)
Net increase (decrease) in cash and cash equivalents held	62,430	(158,175)
Cash and cash equivalents at beginning of financial year	25,431	183,606
Cash at the end of the financial year	87,861	25,431

The above statement of cash flows should be read in conjunction with the accompanying notes.

C.S.I. SPORT AND RECREATION CLUB LIMITED
A.B.N 65 001 409 856

NOTES TO THE CONCISE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

GENERAL INFORMATION

The Company was incorporated on 27 June 1979 (#191287-35) under the Companies Act, 1961, NSW. It is registered with the Australian Business Register - Australian Business Number 65 001 409 856 and is registered for Goods and Services Tax purposes.

The registered office and principal place of business of the Company is 81 South Street, Schofields NSW 2762.

The financial report covers C.S.I. Sport and Recreation Club Limited as an individual entity. C.S.I. Sport and Recreation Club Limited is a not-for-profit Company limited by guarantee, not having share capital, domiciled in Australia.

The functional and presentation currency of C.S.I. Sport and Recreation Club Limited is Australian dollars.

The financial report was authorised for issue by the Directors on the 4th September 2019.

Comparatives are consistent with prior years unless, otherwise stated.

NOTE 1. BASIS OF PREPARATION

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001, as appropriate for not-for-profit orientated entities.

The financial statements have been prepared on an accruals 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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Income Tax

The Company is a Non for Profit Entity with a main objective of providing sporting and recreation facilities to the members of C.S.I. Sport and Recreation Club Limited. The Board has reviewed its income tax status and have assessed the Company to be exempt from income tax under section 50-45 of the Income Tax Assessment Act, 1997 (Cth). Consequently, no provision for taxation has been made in the financial statements.

b. New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

c. Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, certain classes of property, plant and equipment and derivative financial instruments.

NOTES TO THE CONCISE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

d. Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

e. Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods

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

Amounts disclosed as revenue are net of sales returns and trade discounts.

Poker machines

Poker machine revenue is recognised net of payouts.

Membership

Membership revenue is recognised when it is received or when the right to receive payment is established.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

f. Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is classified as current when: it is either expected to be realised or intended or to be sold or consumed in normal operating cycle; it is held to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

g. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

h. Trade and other receivables

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

Trade receivables are generally due for settlement within 30 days.

NOTES TO THE CONCISE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired.

The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

i. Inventories

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

j. Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

Held-to-maturity investments

Held-to-maturity investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the company has the positive intention and ability to hold the financial to maturity. This category excludes financial assets that are held for an undefined period. Held-to-maturity investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

k. Property, plant and equipment

Land and buildings and plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings 40 years

Plant and equipment 3 - 8 years

Leasehold improvements 40 years

NOTES TO THE CONCISE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

l. Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually.

Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Poker machine entitlements

Poker machine entitlements are considered to have an indefinite useful life as a result of the expiry of the 10 year period initially indicated by the New South Wales Government. The company tests for impairment annually, irrespective of whether there is any indication of impairment.

m. Trade and other payables

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

n. Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the months after the reporting date, the loans or borrowings are classified as non-current.

o. Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

p. Provisions

Provisions are recognised when the company 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.

q. Declaration of core assets

The company is obliged to declare, pursuant to the Registered Clubs Act 1976, NSW any land or building which requires the approval of members for the sale, in part or whole and the sale of which would require the approval of the NSW Office of Liquor, Gaming and Racing. The core assets of the club are detailed within the financial statements as Land and Buildings as well as the Poker machines and Poker machine entitlements.

NOTES TO THE CONCISE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

r. Going concern

The financial statements have been prepared on a going concern basis which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The company has incurred significant trading losses in six of the past seven years to 30 June 2019 and has incurred another trading loss for the year ended 30 June 2019.

The Board are currently investing in upgrading the club facilities in order for it to become commercially viable.

s. Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

NOTE 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances. These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

C.S.I. SPORT AND RECREATION CLUB LIMITED
A.B.N 65 001 409 856

NOTES TO THE CONCISE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
NOTE 4. CASH AND CASH EQUIVALENTS			
Cash at bank – St George freedom account		8,246	4,544
Cash at bank – ANZ cheque account		2,071	19,081
Cash at bank – 082128 315843205		75,737	
		<u>86,054</u>	<u>23,625</u>
<i>Other cash items:</i>			
Cash in till and float		1,806	1,806
Poker machine float		-	-
Poker machine change		-	-
Poker machine hoppers		-	-
		<u>1,806</u>	<u>1,806</u>
		<u>87,861</u>	<u>25,431</u>
<i>The above figures are reconciled to cash at the end of the Financial year as shown in the statement of cash flows.</i>			
NOTE 5. TRADE AND OTHER RECEIVABLES			
Current - Unsecured			
Sundry debtors		<u>35,696</u>	<u>35,696</u>
NOTE 6. INVENTORIES			
Current			
Bar and Club stock – at cost		<u>2,630</u>	<u>2,518</u>

C.S.I. SPORT AND RECREATION CLUB LIMITED
A.B.N 65 001 409 856

NOTES TO THE CONCISE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
NOTE 8. PROPERTY, PLANT AND EQUIPMENT			
Non Current			
81 South Street, Schofields NSW		3,802,833	53,209
Add: Asset revaluation on disposal of asset	14	-	3,749,624
		<u>3,802,833</u>	<u>3,802,833</u>
Leasehold improvements, at cost		682,265	573,611
Accumulated amortisation		(178,265)	(163,795)
		<u>504,000</u>	<u>409,816</u>
Plant and equipment, at cost		206,115	206,115
Accumulated depreciation		(195,334)	(194,212)
		<u>10,781</u>	<u>11,903</u>
Club Office equipment, at cost		18,550	18,550
Accumulated depreciation		(16,922)	(16,922)
		<u>1,628</u>	<u>1,628</u>
Furniture and Fittings, at cost		9,174	9,174
Accumulated depreciation		(4,257)	(3,028)
		<u>4,917</u>	<u>6,146</u>
		<u>4,324,159</u>	<u>4,232,326</u>
NOTE 9. INTANGIBLES			
Non current			
Formation expenses		<u>151</u>	<u>151</u>
<i>This non current asset is recorded at the historical cost Value provided for in the earlier reporting periods. No Amortisation of this expense has been allowed for in this Report but may be considered for the next reporting period.</i>			
NOTE 10. TRADE AND OTHER PAYABLES			
Current – Unsecured			
Trade creditors and other payables		<u>-</u>	<u>15,952</u>

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NOTES TO THE CONCISE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
NOTE 12. BORROWINGS			
Non current			
Loans, unsecured			
- Monies owing to Company Members		21,160	21,160
- Private Equity loan		250,000	-
		<u>271,160</u>	<u>21,160</u>
		<u>271,160</u>	<u>21,160</u>

The repayment of any monies owing to any Company Member can only be completed in accordance with the Company's Memorandum and Articles of Association.

NOTE 13. SHARE CAPITAL

C.S.I. Sport and Recreation Club Limited is a not-for-profit Company limited by guarantee, not having share capital.

C.S.I. SPORT AND RECREATION CLUB LIMITED
A.B.N 65 001 409 856

NOTES TO THE CONCISE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
NOTE 14. RESERVES			
(a) Revaluation Reserve			
The revaluation reserve records the revaluation of non-current assets.			
(b) Asset revaluations			
Revaluation of land and buildings		<u>3,749,624</u>	<u>3,749,624</u>

The freehold land of the club were independently valued at \$3,749,624 following the compulsory acquisition by the New South Wales Government via their agent, Roads and Maritime Services. The critical assumptions adopted in determining the valuation included the location of the land, the current demand for land and buildings in the area and other monies paid by way of compulsory acquisition.

C.S.I. SPORT AND RECREATION CLUB LIMITED
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STATEMENTS FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
INCOME		
Gross profit on trading	32,267	11,269
Donations received	1,300	700
Government Subsidies	-	-
Proceeds from Sale of Non-Current Assets	-	-
Extraordinary Income	-	48,580
Total Income	<u>33,567</u>	<u>60,549</u>
EXPENSES		
Accountancy and audit fees	6,776	10,914
Advertising	-	1,870
Bank charges	2,387	1,864
Casual labour	465	698
Cleaning	1,365	711
Depreciation, amortisation and impairments	16,821	15,782
Donations	100	-
Electricity and Gas	14,047	10,321
Filing fees	275	487
General expenses	852	6,444
Hire of plant and equipment	700	260
Insurance	20,410	18,293
Internet Expenses	-	148
Interest paid – other persons/corporations	-	-
Interest paid on borrowings	10,018	985
Licence fees	6,057	12,544
Legal Costs	2,426	-
Postage, Printing and Stationery	808	345
Rates and taxes	10,122	17,966
Repairs and maintenance	11,123	5,366
Staff training & welfare	223	-
Subscriptions	3,385	1,716
Telephone	517	1,114
Tools and replacements	-	876
Waste disposal	4,362	1,933
Total Expenditure	<u>113,239</u>	<u>110,637</u>
NET PROFIT / (LOSS) FOR THE YEAR	<u>(79,672)</u>	<u>(50,088)</u>

The Statement of Financial Performance does not form part of the audited financial report.

C.S.I. SPORT AND RECREATION CLUB LIMITED
A.B.N 65 001 409 856

TRADING ACCOUNT FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
C.S.I. CLUB – MAIN			
Bar Income		4,168	4,731
Function and Advertising Income		34,397	29,867
Gambling Income		144	9
OSR GST Rebate – Gaming Clubs		-	-
Subscriptions		3,045	2,210
		<u>41,754</u>	<u>36,817</u>
<u>LESS:</u> COST OF GOODS SOLD			
Opening Inventories		2,518	3,443
Entertainment		-	1,710
Purchases		9,599	22,913
		<u>12,117</u>	<u>28,066</u>
Closing Inventories		<u>2,630</u>	<u>2,518</u>
		<u>9,487</u>	<u>25,548</u>
GROSS PROFIT FROM TRADING ACTIVITES		<u>32,267</u>	<u>11,269</u>

The Trading Account does not form part of the audited financial report.