

HABERFIELD
ROWERS
CLUB
&
RESTAURANT

ANNUAL REPORT 2022





UTS

HABERFIELD
ROWING CLUB

GENERAL MANAGER'S REPORT

UTS Haberfield Club Limited 2022 Financial Year

I am pleased to present the annual report for 2022, which covers our club's operations and financial performance. Despite the challenging environment, our club has continued to thrive and build momentum. Our financial results for the year ended 31 December 2022 show a break-even position, which is a remarkable achievement given the economic uncertainty caused by COVID-19.

In 2022, we made progress towards building recognition as a premier entertainment and hospitality venue.

The Kiosk's successful performance in 2021 continued into 2022, with record sales and customer satisfaction. We have continued to innovate and enhance our offerings with new and exciting menu options and outdoor seating, which has proven to be very popular with our patrons.

The Restaurant has also undergone a strategic shift in response to increased community demand and has been very successful. Expanding the Restaurant's opening hours and event availability has increased the club's revenue streams.

In 2022, we also invested in upgrading our facilities, which has enabled us to host a wide range of events and functions. We have offered our patrons a better and more comprehensive entertainment experience, which has helped increase our customer base and attract new members.

Looking ahead to 2023, we remain optimistic about the future of our club. We have a clear strategy in place and are committed to driving the club's growth and success. We will continue to build on our achievements in 2022 and strive to deliver an exceptional experience to our customers.

Finally, I would like to thank our employees, members, and Board Directors for your work and contribution to our club's success.

Kind Regards,



Cameron Kenney
General Manager

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DIRECTORS' REPORT

UTS Haberfield Club Limited

Directors' report

For year ended 25 December 2022

1. Directors

The directors present their report together with the financial report of UTS Haberfield Club Limited (the Company) for the financial year ended 25 December 2022 and the auditor's report thereon.

Anne Dwyer - Chair

Appointed 20th October 2022

Cameron Kenney - CEO

EMBA

Appointed 31st March 2021

Professor Prabhu Sivabalan

BBus (Hons) Ph.D

UTS Representative

Resigned 31 July 2022

Associate Professor Anna Bedford

BBus (Hons) Ph.D

Staff Director

Appointed 12th October 2021

Philip Wilkinson

BE MBT

Haberfield Club Elected Member

Appointed 23rd May 2017

Dr. Andrew Black

BSc (Hons), PhD, EMBA

Haberfield Club Elected Member

Resigned 24 May 2022

Sinclair Taylor

Rowing Club Representative

Appointed 4th November 2019

Jinang Liu

Student Director

Appointed 7th October 2020

Samantha Urquart

Student Director

Appointed 12th October 2021

2. Directors' meetings

Directors' attendance at Company Board meetings during the financial year:

Board Meetings

Director	Number of meetings attended	Number of meetings held*
Cameron Kenney	6	6
Anne Dwyer	6	6
Professor Prabhu Sivabalan	4	4
Associate Professor Anna Bedford	6	6
Jinang Liu	6	6
Sinclair Taylor	5	6
Philip Wilkinson	6	6
Samantha Urquhart	6	6
Dr. Andrew Black	4	4

* Number of meetings held during the Director's time in office.

UTS Haberfield Club Limited
Directors' report (continued)
For year ended 25 December 2022

3. Objectives and strategy

The Company's objective is to provide a community-based social club encompassing food and beverage coupled with rowing facilities to cater to all standards of rowers, from the new member up to those of high performance and representative level. Inherent in these objectives is the encouragement of University student participation in the sport.

Strategies to meet these objectives include working with the University of Technology Sydney, ActivateUTS, and the broader community to ensure the facility is sustainable. The licensed Club continues to support the functions of the downstairs rowing club, which is home to athletes and coaches who row under the UTS banner.

4. Principal activities and performance

The principal activity of the Company during the course of the financial year was the conduct and promotion of a licensed social and rowing club for members and non-members. There were no significant changes in the nature of the activities of the Company during the year.

Operating and financial review

The profit after tax for the year amounted to \$142 (2021: profit of \$75,799). During the year, the Company had a positive cash flow from operating activities.

5. Membership

The Company is a company limited by guarantee and without share capital. In accordance with the constitution of the Company, every member of the Company undertakes to contribute an amount limited to \$5 per member in the event of the winding up of the Company during the period of membership or within one year thereafter. The total amount that members of the Company are liable to contribute if the Company is wound up is \$12,600 (2021: \$10,595).

	2022	2021
	No.	No.
Ordinary	2,520	2,119

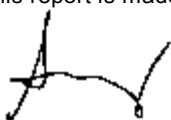
6. Events subsequent to reporting date

No matters or circumstances have occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the entity in subsequent financial years.

7. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 4 and forms part of the directors' report for the financial year ended 25 December 2022.

This report is made with a resolution of the directors.



Anne Dwyer

Dated at Sydney this 15 May 2023



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Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY CLAYTON EVELEIGH TO THE DIRECTORS OF UTS HABERFIELD CLUB LIMITED

As lead auditor of UTS Haberfield Club Limited for the year ended 25 December 2022, I declare that, to the best of my knowledge and belief, there have been:

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

Clayton Eveleigh
Director

BDO Audit Pty Ltd
Sydney, 15 May 2023

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

FINANCIAL STATEMENTS

UTS Haberfield Club Limited
Statement of financial position
As at 25 December 2022

	Note	2022 \$	2021 \$
Assets			
Cash and cash equivalents	4	592,243	441,526
Trade and other receivables		3,666	4,766
Inventories	5	51,722	37,955
Prepayments		575	2,000
Total current assets		<u>648,206</u>	<u>486,247</u>
Plant and equipment	6	43,820	69,776
Total non-current assets		<u>43,820</u>	<u>69,776</u>
Total assets		<u>692,026</u>	<u>556,023</u>
Liabilities			
Trade and other payables	8	203,368	150,954
Employee benefits	9	20,729	8,361
Revenue received in advance		25,094	11,973
Total current liabilities		<u>249,191</u>	<u>171,288</u>
Trade and other payables	8	647,711	586,582
Employee benefits	9	-	3,171
Total non-current liabilities		<u>647,711</u>	<u>589,753</u>
Total liabilities		<u>896,902</u>	<u>761,041</u>
Net liabilities		<u>(204,876)</u>	<u>(205,018)</u>
Members' funds			
Accumulated losses		<u>(204,876)</u>	<u>(205,018)</u>
Total members' funds		<u>(204,876)</u>	<u>(205,018)</u>

The notes on pages 12 to 23 are an integral part of these financial statements.

UTS Haberfield Club Limited
Statement of profit or loss and other comprehensive income
For the financial year ended 25 December 2022

	Note	2022 \$	2021 \$
Revenue	10	2,393,401	1,366,371
Change in inventories of finished goods		13,961	(7,819)
Raw materials and consumables used		(781,574)	(447,360)
Board expenses		(152)	(472)
Personnel expenses	11	(1,296,460)	(656,060)
Cleaning expenses		(55,540)	(34,348)
Professional services expenses		(8,972)	(6,056)
Property expenses		(35,090)	(56,916)
Rent and rates expenses		(25,506)	(6,306)
Repairs and maintenance expenses		(31,587)	(12,865)
Postage, stationery and subscription expenses		(8,023)	(9,574)
Telephone and IT expenses		(4,711)	(7,324)
Depreciation expense		(29,495)	(25,954)
Other expenses		(136,237)	(19,518)
Results from operating activities		<u>(5,985)</u>	<u>75,799</u>
Interest income		<u>6,127</u>	<u>-</u>
Net finance income		<u>6,127</u>	<u>-</u>
Profit before income tax		<u>142</u>	<u>75,799</u>
Income tax expense	12	-	-
Profit for the year		<u>142</u>	<u>75,799</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>142</u>	<u>75,799</u>

The notes on pages 12 to 23 are an integral part of these financial statements.

UTS Haberfield Club Limited
Statement of changes in members' funds
For the financial year ended 25 December 2022

	General funds/ (Accumulated losses)	Total
	\$	\$
Balance at 29 December 2020	(280,817)	(280,817)
Total comprehensive income for the year		
Profit for the year	75,799	75,799
Other comprehensive income	-	-
Balance at 26 December 2021	(205,018)	(205,018)
Balance at 26 December 2021	(205,018)	(205,018)
Total comprehensive income for the year		
Profit for the year	142	142
Other comprehensive income	-	-
Balance at 25 December 2022	(204,876)	(204,876)

The notes on pages 12 to 23 are an integral part of these financial statements.

UTS Haberfield Club Limited
Statement of cash flows
For the financial year ended 25 December 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Cash receipts from customers		2,633,838	1,372,413
Cash paid to suppliers and employees		(2,546,839)	(1,200,468)
Interest received		6,127	-
Net cash inflows from operating activities		93,126	171,945
Cash flows from investing activities			
Payments for plant & equipment		(3,539)	(64,349)
Net cash flows (used in)/provided by investing activities		(3,539)	(64,349)
Cash flows from financing activities			
Proceeds/(repayments) of intercompany borrowings		61,130	(100,241)
Net cash flows provided by/(used in) financing activities		61,130	(100,241)
Net increase in cash and cash equivalents		150,717	7,355
Cash and cash equivalents at beginning of year		441,526	434,171
Cash and cash equivalents at end of year	4	592,243	441,526

The notes on pages 12 to 23 are an integral part of these financial statements.

UTS Haberfield Club Limited

Notes to the financial statements

For the year ended 25 December 2022

1. Reporting entity

UTS Haberfield Club Limited (the Company) is a reporting entity and a company limited by guarantee domiciled in Australia. The address of the Company's registered office is Dobroyd Parade, Haberfield NSW 2045. ActivateUTS is the parent company and the ultimate parent entity. The financial statements of the Company are as at and for the year ended 25 December 2022.

The principal activity of the Company during the course of the financial year was the conduct and promotion of a licensed social and rowing club for members and non-members.

2. Basis of preparation

(a) Statement of compliance

The financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures (AASBs) adopted by the Australian Accounting Standards Board (AASB), the Corporations Act 2001, and the Registered Clubs Amendment Act 2006. The financial statements were approved by the board of directors on 15 May 2023.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements is in conformity with AASBs and requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements and assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year. Judgements includes the estimated useful lives of assets. Management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

UTS Haberfield Club Limited
Notes to the financial statements (continued)
For the year ended 25 December 2022

2. Basis of preparation (continued)

(e) Going concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business for a period of at least twelve months from the date of these financial statements were approved.

As at 25 December 2022 the Company had a deficiency in net assets of \$204,876 (2021: \$205,018). The Company has experienced positive cash flows from operations in 2022 with cash inflows of \$93,126 (2021: inflows of \$171,945) and profit after tax of \$142 (2021: profit of \$75,799). The Company has forecasted improved operating cash flows in 2023.

The financial statements have been prepared on a going concern basis as the Directors have received confirmation from ActivateUTS, a related entity, that for a period of at least 12 months from signing this report, ActivateUTS will provide necessary funding as and when required by the Company, to ensure that it is able to meet its debts as and when they fall due. ActivateUTS also confirmed that it will not seek the repayment of the amounts owed by UTS Haberfield amounting to \$647,711 (refer to Note 8) for at least a period of 12 months from the date of signing of these financial statements.

In the event that ActivateUTS is unable to provide ongoing financial support to the Company, a material uncertainty would exist that may cast doubt on the ability of the Company to continue as a going concern and therefore it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Standards and Interpretations issued but not yet effective

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

This standard is applicable to annual reporting periods beginning on or after 1 January 2022. AASB 1060 provides a new Tier 2 reporting framework with Simplified Disclosures that are based on the requirements of Australian Accounting Standards for SMEs. Given that the company already prepares financial statements under the reduced disclosure requirements there is not likely to be an impact on the company's financial statements on adoption of this standard.

(a) Financial instruments

Financial assets and financial liabilities are recognised initially on the date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled, or expires.

UTS Haberfield Club Limited
Notes to the financial statements (continued)
For the year ended 25 December 2022

Classification of financial assets

Initial measurement of financial assets

Financial assets are measured at initial recognition at their fair value plus, for financial assets not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Trade receivables that do not have a significant financing component are not initially measured at fair value, rather they are initially measured at their transaction price.

Subsequent initial measurement of financial assets

Subsequent to initial recognition, financial assets are measured at amortised cost.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Company in the management of its short-term commitments.

Impairment of financial assets

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities (which include trade and other payables, and other payables) are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

(b) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

UTS Haberfield Club Limited
Notes to the financial statements (continued)
For the year ended 25 December 2022

(iii) Depreciation

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use.

Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognised in profit or loss unless the amount is included in the carrying amount of another asset.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

- Plant and equipment 4 - 7 years

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

(c) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

(d) Impairment

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Depreciated replacement cost is used to determine value in use. Depreciated replacement cost is the current replacement cost of the item less, where applicable, accumulated depreciation to date, calculated on the basis of such cost. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

UTS Haberfield Club Limited
Notes to the financial statements (continued)
For the year ended 25 December 2022

(e) Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount because of past service provided by the employee and the obligation can be estimated reliably.

(f) Revenue

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; 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 customer of the goods or services promised.

(i) Goods sold and services rendered

Revenue from the sale of goods comprises revenue earned from the provision of food, beverage and other goods. It is measured at the fair value of the consideration received or receivable. Revenue from the sale of goods and services is recognised upon satisfaction of the performance obligation, which is at the point of delivery of those goods or services to the customer.

Revenue from services rendered comprises revenue from other services to members and patrons of the Company. Revenue from the sale of goods and services is recognised upon satisfaction of the performance obligation, which is at the point of delivery of those goods or services to the customer.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, the costs incurred or to be incurred cannot be measured reliably, there is a risk of return of the goods or there is continuing management involvement with the goods.

(ii) Other revenue

Other revenue comprises grants and donations from the parent entity and other various sundry income. Grants and donation income is recognised in profit or loss when the considerations are received.

(f) Interest income

Interest income on funds invested is recognised as it accrues in profit or loss, using the effective interest method.

UTS Haberfield Club Limited
Notes to the financial statements (continued)
For the year ended 25 December 2022

(g) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has elected to apply the practical expedient to account for each lease component and any non-lease components as a single lease component.

Right-of-use assets

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset less any lease incentives received. The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits.

The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liabilities - right-of-use assets

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments of a variable or contingent nature are expensed when incurred.

(j) Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in members' funds or in other comprehensive income.

(i) Current tax

The Income Tax Assessment Act 1997 (amended) provides that under the concept of mutuality, the Company is only liable for income tax on income derived from non-members and from outside entities.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

UTS Haberfield Club Limited
Notes to the financial statements (continued)
For the year ended 25 December 2022

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects either accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(h) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

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

UTS Haberfield Club Limited
Notes to the financial statements (continued)
For the year ended 25 December 2022

	2022	2021
	\$	\$
4 Cash and cash equivalents		
Bank balances	590,743	440,026
Cash on hand	1,500	1,500
	<hr/>	<hr/>
Cash and cash equivalents	592,243	441,526
	<hr/>	<hr/>
5 Inventories		
Finished goods – at cost	51,722	37,955
	<hr/>	<hr/>
		Total
		\$
6. Plant and equipment		
Cost		
Balance at 26 December 2021		145,606
Additions		3,539
		<hr/>
Balance at 25 December 2022		149,145
		<hr/>
Depreciation		
Balance at 26 December 2021		75,830
Depreciation expense for the year		29,495
		<hr/>
Balance at 25 December 2022		105,325
		<hr/>
Carrying amounts		
As at 25 December 2022		43,820
		<hr/>
As at 26 December 2021		69,776
		<hr/>

UTS Haberfield Club Limited
Notes to the financial statements (continued)
For the year ended 25 December 2022

7. Core and non-core properties

Pursuant to section 41J of the Registered Clubs Amendment Act 2006, all Company's properties are core properties.

Core Properties held by the Club:

200 Dobroyd Parade, Haberfield NSW 2045.

	2022	2021
	\$	\$
8. Trade and other payables		
Current		
Trade payables	44,612	25,680
Other payables and accrued expenses	158,757	125,274
	203,369	150,954
Non-current		
Loan and intercompany payable - ActivateUTS	647,711	586,582
9. Employee benefits		
Current		
Liability for annual leave	20,729	8,361
Non-current		
Liability for long service leave	-	3,171
10. Revenue		
Sale of goods	2,363,247	1,278,595
Rendering of services	22,083	23,860
Other revenue	8,071	63,916
	2,393,401	1,366,371

UTS Haberfield Club Limited
Notes to the financial statements (continued)
For the year ended 25 December 2022

	2022	2021
	\$	\$
11. Personnel expenses		
Wages and salaries	1,133,302	608,168
Other associated personal expenses	45,940	69,471
Contributions to defined contribution superannuation funds	104,849	60,326
JobKeeper received	-	(63,033)
Movement in liability for annual leave	12,369	(18,872)
	<u>1,296,460</u>	<u>656,060</u>

12. Income tax expense

Numerical reconciliation between tax expense and pre-tax accounting profit

Current

Proportion of net taxable income attributable to non-members	1,852,661	993,062
Less: Proportion of expenses attributable to non-members	<u>(1,772,289)</u>	<u>(947,659)</u>
	80,372	45,403
Add: Other taxable income	6,127	63,033
Less: Other deductible expenses	<u>(116,850)</u>	<u>(129,665)</u>
Net income subject to tax	(30,351)	(21,229)
Income tax expense using the Company's statutory income tax rate of 25% (2021: 25%)	(7,588)	(5,307)
Unrecognised tax losses (utilised)/carried	<u>7,588</u>	<u>5,307</u>
	<u>-</u>	<u>-</u>

Estimated deferred tax assets have not been recognised in respect of the following items:

Unrecognised deferred tax assets

Deductible temporary differences	10,279	3,666
Tax losses	<u>258,263</u>	<u>254,597</u>
	<u>268,542</u>	<u>258,263</u>

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the entity can utilise the benefits from.

13. Contingent assets and contingent liabilities

There are no contingent assets or contingent liabilities at reporting date that would have a material effect on the Company's financial statements at 25 December 2022.

UTS Haberfield Club Limited
Notes to the financial statements (continued)
For the year ended 25 December 2022

14. Related parties

Transactions with key management personnel

Executive key management personnel for the Company are employed by the parent entity. The parent entity charges the Company a portion of remuneration for its employees who act in the capacity of key executive management personnel for the Company.

The compensation received by executive key management personnel included in the management fee charge is \$Nil in 2022 (2021: Nil). Non-executive directors do not receive any remuneration in connection with the services they perform at the Company.

Other key management personnel transactions and balances

From time to time, key management personnel of the Company, or their related entities, may purchase goods and services from the Company. These purchases are on the same terms and conditions as those entered into by third parties and are trivial or domestic in nature.

Apart from the details disclosed in this note, no other key management personnel have transaction with the Company since the end of the previous financial year and there were no outstanding balances involving key management personnels interests existing at year-end.

Other related party transactions

The Company is a related party of ActivateUTS who controls the Company and consolidates its financial performance.

The Company operates from the premises at Dobroyd Parade, Haberfield. ActivateUTS leases the land from Innerwest Council and Roads and Maritime Services and has constructed the premises occupied by the Company. A licence fee, which is variable based on the performance of the Club, is payable to ActivateUTS by the Company for the use of the premises under a Deed of Agreement.

Balances with related parties

Aggregate amounts receivable from or payable to, each class of related party at reporting date:

	2022	2021
	\$	\$
Intercompany payable ActivateUTS	119,031	57,902
Loan ActivateUTS	528,680	528,680

15. Auditor remuneration

	2022	2021
	\$	\$
<i>Auditor: BDO Audit Pty Ltd</i>		
Audit services	11,000	9,000
Non-audit services	3,000	2,500
	<u>14,000</u>	<u>11,500</u>

UTS Haberfield Club Limited
Notes to the financial statements (continued)
For the year ended 25 December 2022

16. Events after the reporting period

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

UTS Haberfield Club Limited
Directors' declaration
For the year ended 25 December 2022

In the opinion of the directors of UTS Haberfield Club Limited (the Company):

(a) the financial statements and notes that are set out on pages 4 to 19, are in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Company's financial position as at 25 December 2022 and of its performance for the financial year ended on that date; and

(ii) Complying with Australian Accounting Standards - Simplified Disclosures and the *Corporations Regulations 2001*; and

(b) 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 directors.



Anne Dwyer

Dated at Sydney this 15 May 2023



INDEPENDENT AUDITOR'S REPORT

To the members of UTS Haberfield Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of UTS Haberfield Club Limited (the Company), which comprises the statement of financial position as at 25 December 2022, the statement of profit or loss and other comprehensive income, the statement of changes in members' funds and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of UTS Haberfield 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 25 December 2022 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards - Simplified Disclosures 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 Company in accordance with 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 the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors' report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not 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 on the other information obtained prior to the date of this auditor's report, 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 Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the 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 has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

Clayton Eveleigh

Director

Sydney, 15 May 2023



