KATOOMBA CHRISTIAN CONVENTION

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KATOOMBA CHRISTIAN CONVENTION LTD
ABN 86 000 153 560

FINANCIAL STATEMENTS
31 DECEMBER 2022

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KATOOMBA CHRISTIAN CONVENTION LTD
ABN 86 000 153 560

DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 31 December 2022.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Name		Appointed	Resigned
Rod Walker	Chairman	15 February 2018	
Jonathan Dykes	Executive Director	26 April 2012	
Gillian Davidson		16 January 2018	28 February 2022
Lauren White		12 June 2018	
Peter Orr		7 August 2018	5 May 2022
Andrew Wilkinson		23 August 2018	
Malcolm Gill		4 November 2021	
Suzanne Lim		2 August 2022	

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 company during the financial year was the promotion of the Gospel of the Lord Jesus Christ. This occurs through the ministry of providing Bible-preaching conventions and also the hiring out of a conference centre which includes the conference facilities and accommodation.

No significant changes in the nature of the company's activity occurred during the financial year.

Operating Results

The operating result from ordinary activities was a deficit of $268,384 (2021: surplus $167,546).

The total comprehensive or accounting income of $504,616 included the $773,000 net (non-cash / accounting) gain arising from the revaluation of our land holdings based upon the NSW Government's routine valuations.

The company is not liable for the payment of income tax under the present legislation.

Key Performance Measures

KCC's performance against the budget prepared for 2022 was mixed.

While KCC's 2022 revenues from both conventions and accommodation doubled from the COVID-19 impacted 2021 levels, convention revenues were impacted by lower than expected attendance numbers. While generous levels of donations continued, the availability of government assistance was substantially brought to a close.

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DIRECTORS' REPORT

Key Performance Measures (cont'd)

KCC's profitability was also impacted by higher operating costs as we rebuilt the convention program following two years of disruptions. At the same time, the revenue growth and profitability from property operations showed pleasing progress.

The sale of a non-core residential property in 2021 enhanced KCC's capital and liquidity position to enable the establishment of a fund that will help sustain KCC through future operating challenges and contribute to minor capital expenditure upgrades.

Dividends Paid or Recommended

The company is limited by guarantee and is therefore precluded from distributing profits by way of dividends.

Events After the Reporting Period

A sustained and profitable recovery from the COVID-19 pandemic remains a continuing risk for the company. No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

Members' Guarantee

The entity 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 $1.00 each towards meeting any outstanding obligations of the company. As at 31 December 2022 the total amount that members of the company are liable to contribute if the company were to be wound up is $8. (2021: $7).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 December 2022 has been received and can be found on page 3 of the financial report.

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

Rod H Walker

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Rod Walker **Jonathan Dykes**
Chairman **Executive Director**

Dated this 03 day of April 2023.

MTJ ManserTierney&Johnston
Chartered Accountants & Wealth Management

KATOOMBA CHRISTIAN CONVENTION LTD
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AUDITOR'S INDEPENDENCE DECLARATION UNDER ACNC ACT SECTION 60-40
TO THE DIRECTORS OF KATOOMBA CHRISTIAN CONVENTION LTD

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of Katoomba Christian Convention Ltd.

As the lead audit partner for the audit of the financial report of Katoomba Christian Convention Ltd for the year ended 31 December 2022, I declare that, to the best of my knowledge and belief, during the year ended 31 December 2022 there have been no contraventions of:

a) the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

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

Signed at Turramurra this 3rd day of April 2023.

MTJ AUDIT PTY LTD

…………………………………………...
DANE TIERNEY
Partner

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DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Katoomba Christian Convention Ltd, the directors of the company declare that, in the directors' opinion:

1. The financial statements and notes, as set out on pages 8 to 38, satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and:

   a) comply with Australian Accounting Standards – Simplified Disclosures applicable to the company; and

   b) give a true and fair view of the financial position of the company as at 31 December 2022 and of its financial performance for the year ended on that date.

2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013.*

....
Rod Walker
Chairman

....
Jonathan Dykes
Executive Director

Dated this 03 day of April 2023.

MTJ ManserTierney&Johnston
Chartered Accountants & Wealth Management

KATOOMBA CHRISTIAN CONVENTION LTD
ABN 86 000 153 560

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KATOOMBA CHRISTIAN CONVENTION LTD

Opinion

We have audited the financial report of Katoomba Christian Convention Ltd (the company), which comprises the statement of financial position as at 31 December 2022, 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, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), including:

a) giving a true and fair view of the company's financial position as at 31 December 2022 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards – AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and Division 60 of *Australian Charities and Not-for-profits Commission Regulation 2013*.

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 ACNC Act 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 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 2022, 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KATOOMBA CHRISTIAN CONVENTION LTD

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 registered 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 ACNC Act 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KATOOMBA CHRISTIAN CONVENTION LTD

- 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.

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.

Signed at Turramurra this 3rd day of April 2023.

MTJ AUDIT PTY LTD

………………………………………………...
DANE TIERNEY
Partner

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KATOOMBA CHRISTIAN CONVENTION LTD
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022	2021
Revenue	2	4,426,832	1,976,695
Other income	2	1,031,583	2,123,729
		5,458,415	4,100,424
Employee benefits expense		(1,648,353)	(1,578,602)
Depreciation and amortisation expense	3	(237,110)	(245,183)
Finance costs		(1,889)	(2,970)
Accommodation		(1,426,823)	(641,334)
Conventions		(1,803,076)	(956,002)
Rental		(5,840)	-
Audit, legal and consultancy expense	3	(16,160)	(18,978)
Administration expense		(132,761)	(21,471)
Volunteer efforts		(434,435)	(442,348)
Other expenses		(20,352)	(25,990)
		(5,726,799)	(3,932,878)
Surplus before income tax		(268,384)	167,546
Income tax expense	1k	-	-
Surplus for the year		(268,384)	167,546
Other comprehensive income:			
Net gain/(loss) on revaluation of non-current assets		773,000	(20,000)
Net gain/(loss) on revaluation of financial assets		-	-
Other comprehensive income for the year		773,000	(20,000)
Total comprehensive income for the year		$ 504,616	$ 147,546

The accompanying notes form part of these financial statements.

KATOOMBA CHRISTIAN CONVENTION LTD
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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022	2021
CURRENT ASSETS			
Cash and cash equivalents	4	1,996,351	2,016,893
Trade and other receivables	5	168,538	156,058
Inventories	6	15,579	16,845
Other assets	7	285,074	226,450
TOTAL CURRENT ASSETS		2,465,542	2,416,246
NON-CURRENT ASSETS			
Property, plant and equipment	8	8,585,935	7,814,847
Right-of-use assets	9	-	53,690
Software	10	517,900	446,949
TOTAL NON-CURRENT ASSETS		9,103,835	8,315,485
TOTAL ASSETS		11,569,377	10,731,732
CURRENT LIABILITIES			
Trade and other payables	11	1,427,682	1,062,241
Borrowings	12	290,000	94,311
Employee Provisions	13	147,382	125,337
TOTAL CURRENT LIABILITIES		1,865,064	1,281,889
NON-CURRENT LIABILITIES			
Borrowings	12	-	250,000
Employee Provisions	13	29,391	32,057
TOTAL NON-CURRENT LIABILITIES		29,391	282,057
TOTAL LIABILITIES		1,894,455	1,563,946
NET ASSETS		$9,674,922	$9,167,786
EQUITY			
Retained Earnings		5,854,118	6,117,502
Reserves		3,820,804	3,050,284
TOTAL EQUITY		$9,674,922	$9,167,786

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
EQUITY		
Retained Earnings		
Balance 1 January	6,117,502	5,967,024
Add: Surplus/ (Deficit) for the Year	(268,384)	167,546
	5,849,118	6,134,570
Add : Transfer (to)/from Library Fund	5,000	(5,000)
Add : Transfer (to) Special Purpose Reserve	-	(12,068)
	5,000	(17,068)
Balance 31 December	5,854,118	6,117,502
Property Revaluation Reserve		
Balance 1 January	3,033,216	3,053,216
Add: Revaluation	773,000	(20,000)
Balance 31 December	3,806,216	3,033,216
Library Fund		
Balance 1 January	5,000	-
Add: Transfer to/(from) Library Fund	(5,000)	5,000
Balance 31 December	-	5,000
Special Purpose Reserve		
Balance 1 January	12,068	-
Add: Prior Year adjustment to Special Purpose Reserve	2,520	-
Add: Transfer from Retained Earnings	-	12,068
Balance 31 December	14,588	12,068
Total Reserves	3,820,804	3,050,284
TOTAL EQUITY	$ 9,674,922	$ 9,167,786

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022	2021
Cash Flow from Operating Activities			
Receipts from customers		5,264,856	2,914,325
Receipts from Government Stimulus		24,603	286,158
Payments to suppliers and employees		(5,021,249)	(3,241,391)
Interest received		18,512	10,849
Interest paid		(1,889)	(2,970)
Net cash provided by operating activities	18b	284,833	(33,029)
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(134,816)	(52,126)
Proceeds on sale of property, plant and equipment		2,500	1,363,878
Payments for software		(121,270)	(141,075)
Net cash used in investing activities		(253,586)	1,170,677
Cash Flows from Financing Activities			
Withdrawal / (Repayment) of borrowings		(51,789)	192,170
Net cash used in financing activities		(51,789)	192,170
Net Increase/(decrease) in Cash Held		(20,542)	1,329,819
Cash on hand at the beginning of the financial year	1h	2,016,893	687,074
Cash on hand at the end of the financial year	18a	$1,996,351	$2,016,893

KATOOMBA CHRISTIAN CONVENTION LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1 – Summary of Significant 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 of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*. 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 have been rounded to the nearest dollar.

The financial statements were authorised for issue on 21 March 2023 by the directors of the company.

Accounting Policies

a) **Revenue**

Revenue recognition

Operating Grants, Donations and Bequests

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

When both these conditions are satisfied, the company:

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

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

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9, AASB 16, AASB 116 and AASB 138);

Note 1 – Summary of Significant Accounting Policies (cont'd)

- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and

- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

Capital Grant

When the company receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The company recognises income in profit or loss when or as the company satisfies its obligations under terms of the grant.

Interest Income

Interest income is recognised using the effective interest method.

Dividend Income

The company recognises dividends in profit or loss only when the company's right to receive payment or the dividend is established.

All revenue is stated net of the amount of goods and services tax.

b) **Inventories**

Inventories held for sale are measured at the lower of cost and net realisable value. Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential.

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

c) **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

Freehold land is shown at Unimproved Capital Value as valued by the Valuer General. Buildings are shown at cost less depreciation.

KATOOMBA CHRISTIAN CONVENTION LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1 – Summary of Significant Accounting Policies (cont'd)

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same classes of assets are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost are valued at the fair value of the asset at the date it is acquired

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

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

Depreciation

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1 – Summary of Significant Accounting Policies (cont'd)

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

Class of Fixed Asset	Depreciation Rate
Buildings	5%
Plant and equipment	10 – 30%
Fixtures & Fittings	10 – 20%
Motor vehicles	15%

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

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

d) **Leases**

The company as lessee

At inception of a contract, the company 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 company where the company is a lessee. However, all contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

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

Note 1 – Summary of Significant Accounting Policies (cont'd)

- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

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

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Concessionary Leases

For leases that have significantly below-market terms and conditions principally to enable the company to further is objectives (commonly known a peppercorn/concessionary leases), the company has adopted the temporary relief under AASB 2018-8 and measures the right-of-use assets at cost on initial recognition.

The company as lessor

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

Upon entering into each contract as a lessor, the company 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 risk 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 is recognised as receivables at the amount of the company's net investment in the leases.

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

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ABN 86 000 153 560

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1 – Summary of Significant Accounting Policies (cont'd)

e) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

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

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15: *Revenue from Contracts with Customers*.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

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

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

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

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period.

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

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NOTES TO THE FINANCIAL STATEMENTS
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Note 1 – Summary of Significant Accounting Policies (cont'd)

A financial liability is held for trading if it is:

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

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

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

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

A financial liability cannot be reclassified.

Financial asset

Financial assets are subsequently measured at:

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

Measurement is on the basis of two primary criteria, being:

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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Note 1 – Summary of Significant Accounting Policies (cont'd)

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

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

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

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

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

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;

- it is in accordance with the documented risk management or investment strategy and information about the groupings was documented appropriately, so the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and

- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

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

Equity instruments

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1 – Summary of Significant Accounting Policies (cont'd)

Derecognition

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

Derecognition of financial liabilities

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

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

Derecognition of financial assets

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

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

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1 – Summary of Significant Accounting Policies (cont'd)

Impairment

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

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

Loss allowance is not recognised for:

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

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

The company uses the following approaches to impairment, as applicable under AASB 9:

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

General approach

Under the general approach, at each reporting period, the company assesses whether the financial instruments are credit-impaired, and if:

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

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NOTES TO THE FINANCIAL STATEMENTS
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Note 1 – Summary of Significant Accounting Policies (cont'd)

Simplified approach

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

This approach is applicable to:

- trade receivables; and
- lease receivables.

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

Purchased or originated credit-impaired approach

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

Evidence of credit impairment includes:

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

Low credit risk operational simplification approach

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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Note 1 – Summary of Significant Accounting Policies (cont'd)

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

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

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

Recognition of expected credit losses in financial statements

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

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

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

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

f) **Impairment of Assets**

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

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

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

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

g) **Employee Benefits**

Short-term employee benefits

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

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of accounts payable and other payables in the statement of financial position.

Other long-term employee benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the entity's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

h) **Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

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NOTES TO THE FINANCIAL STATEMENTS
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Note 1 – Summary of Significant Accounting Policies (cont'd)

i) **Trade and Other Receivables**

Trade and other receivables include amounts due from members as well as amounts receivable from customers for goods sold and services provided in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(f) for further discussion on the determination of impairment losses.

j) **Goods and Services Tax (GST)**

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

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

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

k) **Income Tax**

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

l) **Intangibles**

Software

Software is recorded at cost. Where software is acquired at no cost, or for a nominal cost, the cost is its fair value, as at the date of acquisition. It has a finite life and is carried at cost less any accumulated amortisation and impairment losses. Software has an estimated useful life of between one and three years. It is assessed annually for impairment.

m) **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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1 – Summary of Significant Accounting Policies (cont'd)

n) **Comparative Figures**

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

o) **Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

p) **Critical Accounting Estimates and Judgments**

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

Key estimates

(i) Useful lives of property, plant and equipment

As described in Note 1 (c), the company reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Key judgements

(i) Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/type, cost/value, quantity and the period of transfer related to the goods or services promised.

(ii) Lease term and option to extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the company will make. The company determines the likeliness to exercise the options on a lease-by-lease basis, looking at various factors such as which assets are strategic and which are key to future strategy of the company.

Note 1 – Summary of Significant Accounting Policies (cont'd)

(iii) Employee benefits

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. The company expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

q) **Fair Value of Assets and Liabilities**

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

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

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1 – Summary of Significant Accounting Policies (cont'd)

r) New and Amended Accounting Standards Adopted by the Company

Initial adoption of AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*

The company has adopted AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* for the first time this reporting period. The Standard, which sets out a new separate disclosure Standard to be applied by all entities that are reporting under Tier 2 of the Differential Reporting Framework in AASB 1053: *Application of Tiers of Australian Accounting*, replaces the previous Reduced Disclosure Requirements (RDR) framework. The application of this standard has resulted in reductions in disclosures compared to RDR in Revenue, Leases and Financial Instruments; however has resulted in new and/or increased disclosures in areas such as Audit Fees and Related Parties.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 2 - Revenue and Other Income

	2022	2021
Revenue		
Revenue from operations		
- Accommodation	2,538,940	1,045,212
- Annual conventions	1,788,173	892,608
- Resource sales	99,719	38,875
Total Revenue	4,426,832	1,976,695
Other Income		
- Covid-19 Government stimulus	24,603	15,000
- Covid-19 JobKeeper 2020 / Jobsaver 2021	-	271,158
- Interest / Franking credits	18,512	10,849
- Restricted donations for internal purposes	225,147	156,043
- Restricted donations for third parties	-	-
- Unrestricted donations	330,012	448,994
- Profit / (loss) on disposal of assets	(1,126)	779,337
- Volunteer contribution	434,435	442,348
Total Other Income	1,031,583	2,123,729
Total Revenue and Other Income	$5,458,415	$4,100,424

Note 3 - Surplus for the Year

Surplus from ordinary activities has been determined after:

	2022	2021
Expenses		
Depreciation and Amortisation of non-current assets		
- Buildings	65,423	76,376
- Furniture, Fixtures and Fittings	28,718	33,552
- Plant and Equipment	28,805	30,153
- Motor Vehicles	10,156	10,528
Total Depreciation - Property, plant & equipment	133,102	150,609
- Depreciation - Right-of-use assets	53,690	58,570
- Amortisation - Systems Development	50,318	36,004
Total Depreciation and Amortisation	$ 237,110	$ 245,183
Rental expense on operating leases		
- Minimum lease payments	$ -	$ 40,000
Audit, legal and consultancy expense		
- Auditor Remuneration - audit services	13,160	12,360
- Legal Expenses	1,500	-
- Consultancy Expenses	1,500	6,618
	$ 16,160	$ 18,978

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	**2021**
Note 4 - Cash and Cash Equivalents		
Cash at bank	701,402	2,016,893
Term Deposit	1,294,949	-
Cash on hand	-	-
	$1,996,351	$2,016,893
Note 5 - Trade and Other Receivables		
Trade Receivables	155,143	136,132
Less: Provision for doubtful receivables	-	-
	155,143	136,132
Other debtors	13,395	19,926
	$ 168,538	$ 156,058
Note 6 - Inventories		
Stock on Hand	$ 15,579	$ 16,845
Note 7 - Other Assets		
Prepayments - Insurance	151,039	148,580
Prepayments	134,035	77,870
	$ 285,074	$ 226,450

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 8 - Property, Plant and Equipment

Land and Buildings

Freehold land - at unimproved Capital Value as valued by the Valuer General

	2022	2021
DP 222736 - Lot 5, 14-30 Violet Street, Katoomba NSW	1,000,000	918,000
DP 2060 - Section S2 Lot 4, 34 Violet Street, Katoomba NSW	423,000	354,000
DP 406995 - Lot 3, 10 Laurel Street, Katoomba NSW	446,000	374,000
DP 659458 - Lot 10, 19 Cliff Street, Katoomba NSW	494,000	414,000
DP 1121828 - Lot 1, Clairvaux, L1 Oak Street, Katoomba NSW	5,250,000	4,780,000
Total land	7,613,000	6,840,000
Buildings	1,694,894	1,633,406
Less: Accumulated Depreciation	(938,904)	(873,480)
Total buildings	755,990	759,926
Total land and buildings	8,368,990	7,599,926
Fixtures and fittings	567,848	562,694
Less: Accumulated Depreciation	(496,455)	(467,737)
	71,393	94,957
Plant and equipment	786,370	733,093
Less: Accumulated Depreciation	(657,339)	(628,534)
	129,031	104,560
Motor Vehicles	102,160	97,162
Less: Accumulated Depreciation	(85,639)	(81,757)
	16,521	15,405
Total - Property, Plant and Equipment	10,764,272	9,866,355
Less: Accumulated Depreciation	(2,178,337)	(2,051,509)
	$8,585,935	$7,814,847

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 8 - Property, Plant and Equipment (cont'd)

Movements in Carrying Amounts

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

	Freehold Land	Buildings	Fixtures and Fittings	Plant and Equipment	Motor Vehicles	Total
Balance at 1 January	6,840,000	759,926	94,957	104,560	15,406	7,814,847
Additions at cost	-	61,487	5,154	53,277	14,898	134,816
Additions at fair value	-	-	-	-	-	-
Disposals	-	-	-	-	(3,627)	(3,627)
Depreciation expense	-	(65,423)	(28,718)	(28,805)	(10,156)	(133,102)
Revaluation	773,000	-	-	-	-	773,000
Balance at 31 December	$ 7,613,000	$ 755,990	$ 71,393	$ 129,031	$ 16,521	$ 8,585,935

Asset Revaluations

Freehold land is shown at umiproved capital value as per the latest valuation provided by the Valuer General.

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NOTES TO THE FINANCIAL STATEMENTS
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	Note	2022	2021

Note 9 - Right-of-use assets

The Company's lease portfolio includes business premises.

		2022	2021
Lease business premises		-	117,141
Less: Accumulated Depreciation		-	(63,451)
		-	53,690
Total right-of-use assets		-	117,141
Less: Accumulated Depreciation		-	(63,451)
		$ -	$ 53,690

AASB 16 related amounts recognised in the statement of profit and loss and other comprehensive income

		2022	2021
Depreciation charge related to right-of-use assets		$ 53,690	$ 58,570
Interest expense on lease liabilities		$ 689	$ 2,170
Short-term lease expenses		$ -	$ -
Low-value asset lease expenses		$ -	$ -

Note 10 - Software

		2022	2021
Systems Development		610,018	488,748
Less: Accumulated Amortisation		(92,118)	(41,799)
		$ 517,900	$ 446,949

Note 11 - Trade and Other Payables

Current

	Note	2022	2021
Trade payables		71,722	29,101
Other payable and accruals		623,766	419,842
Fees in advance		732,194	613,298
Restricted donations obligations		-	-
	11a	$1,427,682	$1,062,241

a) Financial liabilities at amortised cost classified as trade and other payables

		2022	2021
Accounts Payble and other payables:			
- total current		1,427,682	1,062,241
- total non-current		-	-
		1,427,682	1,062,241
Less: income in advance		(732,194)	(613,298)
Financial liabilities as accounts payable and other payables		$ 695,488	$ 448,943

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 12 - Borrowings

	Note	2022	2021
Current			
Loan at call, unsecured		290,000	40,000
Lease liability		-	54,311
		$ 290,000	$ 94,311
Non-Current			
Loan at call, unsecured		-	250,000
Lease liability		-	-
		$ -	$ 250,000

a) Total secured current and non-current borrowings

Bank loans	-	-
Lease liability	-	-
	$ -	$ -

b) Assets pledged as security

The bank loans are secured by registered mortgages over the land and buildings of the company.

The carrying amounts of assets pledged as security for non-current borrowings are:

Registered mortgages over Freehold Land and Buildings	-	-

c) Financing arrangements

Unrestricted access was available at balance date to the following line of credit:

<u>Bank loan facilities</u>		
Total facilities	-	-
Used at balance date	-	-
Unused at balance date	$ -	$ -

Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time

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Note 13 - Employee Provisions

	2022	2021
Current		
Provision for employee benefits: annual leave	80,512	92,777
Provision for employee benefits: long service leave	66,870	32,560
	$147,382	$125,337
Non-Current		
Provision for employee benefits: long service leave	29,391	32,057
	$ 29,391	$ 32,057
Analysis of long service leave provision:		
Opening balance at 1 January	64,617	56,577
Additional provision raised during year	31,644	8,040
Amounts used	-	-
Balance at 31 December	$ 96,261	$ 64,617

Note 14 - Capital and Leasing Commitments

	2022	2021
a) Non-cancellable operating leases contracted for but not recognised in the financial statements		
Payable - minimum lease payments		
- Not later than 12 months	-	-
- Later than 12 months but not later than 5 years	-	-
- Later than 5 years	-	-
	$ -	$ -
b) Capital expenditure commitments contracted for capital expenditure projects	$ -	$ -
Payable		
- Later than 1 year but not later that 5 years	$ -	$ -

Note 15 - Contingent Liabilities and Contingent Assets

The Directors are not aware of any contingent liabilities or contingent assets as at 31 December 2022.

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	2022	**2021**

Note 16 - Events After the Reporting Period

A sustained and profitable recovery from the COVID-19 pandemic remains a continuing risk for the company.

Other than the above matter, the Directors are not aware of any other matters or circumstances not otherwise dealt with in the Directors' Report or Financial Statements for the year ended 31 December 2022 that has significantly or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in subsequent financial years.

Note 17 - Related Party Transactions

a) Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) of that company is considered key management personnel.

The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows:

	2022	2021
Key management personnel compensation	$ 454,468	$ 385,488

b) Other Related Parties

No other related party transactions were entered into during the financial year.

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NOTES TO THE FINANCIAL STATEMENTS
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Note 18 - Cash Flow Information

(a) Reconciliation of Cash

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

	2022	2021
Cash at bank and in hand	1,996,351	2,016,893
	$ 1,996,351	$ 2,016,893

(b) Reconciliation of cash flow from operations with profit from ordinary activities

	2022	2021
Profit/(Loss) from ordinary activities	(268,384)	167,546
Non-cash flows in profit from ordinary activities		
- Depreciation and amortisation	237,110	245,183
- (Profit) / Loss on disposal of assets	1,126	(759,237)
Changes in assets and liabilities		
- (Increase)/decrease in receivables	(12,480)	69,506
- (Increase)/decrease in inventories	1,266	26,015
- (Increase)/decrease in prepayments	(58,624)	(46,229)
- Increase/(decrease) in payables	365,441	196,475
- Increase/(decrease) in provisions	19,378	67,711
Net cash provided by operating activities	$ 284,833	$ (33,029)

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NOTES TO THE FINANCIAL STATEMENTS
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Note 19 - Financial Risk Management

The company's financial instruments consist mainly of deposits with banks and short-term term investments, accounts receivable and payable, and leases.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2022	2021
Financial Assets			
Cash and cash equivalents	4	1,996,351	2,016,893
Trade and other receivables	5	168,538	156,058
Total Financial Assets		$2,164,889	$2,172,951
Financial Liabilities			
Trade and other payables	11	695,488	448,943
Borrowings	12	290,000	344,311
Total Financial Liabilities		$ 985,488	$ 793,254

Note 19 - Entity Details

The registered office of the company is:

Suite 3, Level 1
28 Burwood Road
Burwood NSW 2134

The principal places of business are:

Suite 3, Level 1
28 Burwood Road
Burwood NSW 2134

And

119 Cliff Drive
Katoomba NSW 2780