Hakoah Club Limited

ABN 49 000 736 685

Annual Report - 30 June 2023

The directors present their report, together with the financial statements, on the company for the period ended 30 June 2023.

Directors
The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Steven Lowy AM (President)
Mr George Farkas (Vice President)
Mr Kevin Wunsh (Treasurer) - retired 20 March 2023 in accordance with the Constitution)
Mr Daniel Lavecky - elected 20 March 2023
Mr Greg Einfeld
Mrs Ali Linz
Mr Lance Rosenberg
Mr Danny Yezerski
Mr Phil Green
Mrs Jessica Mendoza-Roth

Principal activities
During the financial year the principal continuing activities of the company consisted of the development of the "White City Site".

Information on directors

Name:	Mr. Steven Lowy AM
Title:	President - from March 2019
Experience and expertise:	Principal of LFG, the private investment business and family office of the Lowy Family Group. He was previously an executive director of Westfield Corporation serving as co-Chief Executive Officer for many years prior to the sale of Westfield in June 2018. He is a director of the Lowy Institute and the Lowy Medical Research Institute and is Chairman, World Board of Trustees Keren Hayesod-UIA. He has served as a non-executive director of Scentre Group, Chairman of Football Federation Australia Limited, President of the Board of Trustees of the Art Gallery of New South Wales, Chairman of the Victor Chang Cardiac Research Institute and Presiding Officer of the NSW Police Force Associate Degree in Policing Practice Board of Management. Steven received an Order of Australia (AM) from the Australian Government in 2010 for service to business, and philanthropic support for the arts and culture, medical research and social policy organisations. Member of Club Board since March 2019.

Name:	Mr. George Farkas
Title:	Vice President
Experience and expertise:	Retired Barrister. Active in the Jewish Community for 55 years, including being the youngest member ever of the NSW Jewish Board of Deputies Executive at age 18, Co-founder of the UIA Trendsetter Group, Board member of Hakoah Club at age 25 for approximately 10 years and actively involved in the establishment of the Club premises in Hall St, Board member of the Sydney Jewish Museum for 6 years from 2004- 2010, at the request of Maccabi Australia a member of its 3 person Committee of Inquiry into the Previous Junior Maccabi Games in Israel, Board member of Hakoah Club since 2011 and active in the redevelopment of White City, President of the Club from 2012 – 2018, Vice President since 2019. In 2018 the Club's General Meeting extended his constitutional retirement to 2024 as both a Board member and President to ensure his involvement until completion of the Club's redevelopment.

Name:	Mr. Kevin Wunsh (retired on 20 March 2023 in accordance with the Constitution)
Title:	Treasurer
Experience and expertise:	Over 25 years experience in investment, private capital and strategy. Member of Club Board since November 2013.

Name:	Mr. Greg Einfeld
Title:	Director
Experience and expertise:	25 years in the financial services industry as an executive and actuary. Founder and Managing Director of Lime Actuarial and Price Wizard. Member of Club Board since March 2016.
Name:	Mrs. Ali Linz
Title:	Director
Experience and expertise:	University of Technology, Sydney Executive MBA program. Member of Club Board since March 2019.
Name:	Mr. Lance Rosenberg
Title:	Director
Experience and expertise:	Over 30 years' experience in investment banking, stockbroking and financial markets. Lance is currently the Immediate Past Federal President of UIA Australia and previously a Director of the Jewish Learning Centre Limited and the Shabbat Project, Immediate Past President of the Sydney Maccabi Tennis Club Limited and currently a Trustee of the Blake Napier Trust Limited. Member of Club Board since March 2019.
Name:	Mr. Danny Yezerski
Title:	Director
Experience and expertise:	Managing Director/Producer - TP Events & One Entertainment. Producing Special Events and Live Entertainment since 1986. Member of Club Board since March 2019.
Name:	Mr. Phil Green
Title:	Director
Experience and expertise:	Over 35 years' experience specialising in; structured finance and advisory, leasing, asset based financing, principal investment and funds management. Extensive expertise in property, financial assets, infrastructure and other forms of asset backed finance including; aircraft, rail and mortgages. Member of Maccabi, Past President of both Maccabi Squash and Cricket Clubs. Served on the JCA Allocations Committee from 2003 - 2005. Member of Club Board since March 2019.
Name:	Mrs. Jessica Mendoza-Roth
Title:	Director
Experience and expertise:	CEO of the Social Impact Hub, which collaborates with social purpose organisations to advise, educate and mobilise capital for impact. Previously, Jessica was a solicitor at King & Wood Mallesons. She holds a B.A. and LL.B. (with First Class Honours) from UNSW and a LL.M. from Harvard (Menzies scholar). Previous communal experience includes serving as co-chair of JCA's Gengage initiative (which became Jumpstart) to engage young adults, Emanuel Synagogue Board director and co-chair of capital campaign, and various AUJS leadership roles including President. Member of Club Board since March 2020.
Name:	Mr. Daniel Lavecky (elected 20 March 2023)
Title:	
Experience and expertise:	Daniel Lavecky is Chairman and Co-Founder of Canvas – a financial Technology Company. Daniel is a technology entrepreneur, venture capital investor and business executive with over 25 years' experience building and scaling complex technology companies servicing the Financial Services sector. Previous to Canvas, Daniel was founder and CEO of Pure Commerce, growing from a single desk to hundreds of staff located across the globe with many of the world's largest financial institutions as customers. During his tenure he was awarded multiple patents in the fields of payments, foreign exchange and credit cards. His experiences includes Technology Entrepreneurship, Executive leadership, Finance, and Strategy.

Company secretary
Pamela Lewin was the company secretary during the financial year.

Hakoah Club Limited
Directors' report
30 June 2023

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Steven Lowy AM	6	6
George Farkas	5	6
Kevin Wunsh	4	4
Daniel Lavecky	2	2
Greg Einfeld	5	6
Ali Linz	6	6
Lance Rosenberg	5	6
Danny Yezerski	4	6
Phil Green	6	6
Jessica Mendoza-Roth	6	6

Held: represents the number of meetings held during the time the director held office.

Contributions on winding up

In the event of the company being wound up, ordinary members are required to contribute a maximum of $2 each. Honorary members are not required to contribute.

The total amount that members of the company are liable to contribute if the company is wound up is $3,956, based on 1,978 current members.

Member's Register:
The number of members in the Register of members as at 30 June 2023 is 1,978 (2022: 6,357)

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Mr Steven Lowy AM
President

Mr Greg Einfeld
Director

9 November 2023
Sydney

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Logicca Assurance Pty Limited

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Hakoah Club Limited
Auditor's Independence Declaration Under Section 307C of the Corporations Act 2001
to the Directors of Hakoah Club Limited

I declare that, to the best of my knowledge and belief, during the period ended 30 June 2023 there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm: Logicca Assurance Pty Limited

Name of Partner: Peter Hersh

Address: Level 6
151 Macquarie Street
SYDNEY NSW 2001

Dated this 10th day of November 2023

General information

The financial statements cover Hakoah Club Limited as an individual entity. The financial statements are presented in Australian dollars, which is Hakoah Club Limited's functional and presentation currency.

Hakoah Club Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia.

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 9 November 2023.
The directors have the power to amend and reissue the financial statements.

Hakoah Club Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	For the period from 1 November 2022 to 30 June 2023 $	2022 $
Revenue	3	16,507,166	13,222,813
Total revenue		16,507,166	13,222,813
Expenses			
Professional fees		(189,112)	(226,929)
Marketing expense		(2,277)	(168,039)
Employee benefits expense		(75,099)	(68,706)
Depreciation and amortisation expense		(70,198)	(25,399)
Interest expense - lease liabilities		(25,894)	(31,666)
Other expenses		(139,845)	(257,066)
Total expenses		(502,425)	(777,805)
Surplus before income tax expense		16,004,741	12,445,008
Income tax expense		-	-
Surplus after income tax expense for the year attributable to the members of Hakoah Club Limited	19	16,004,741	12,445,008
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of Hakoah Club Limited		16,004,741	12,445,008

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

Hakoah Club Limited
Statement of financial position
As at 30 June 2023

	Note	For the period ended 30 June 2023 $	2022 $
Assets			
Current assets			
Cash and cash equivalents	4	10,112,693	5,906,501
Trade and other receivables	5	377,783	1,736,374
Held-to-maturity investments	6	12,000,000	12,000,000
Receivable from Sydney Jewish Community Centre Limited	7	-	4,064,990
Other	8	33,936	28,948
Total current assets		22,524,412	23,736,813
Non-current assets			
Property, plant and equipment	9	27,705,991	10,147,921
Right-of-use assets	10	2,736,147	2,804,998
Intangibles	11	4,623	4,623
Total non-current assets		30,446,761	12,957,542
Total assets		52,971,173	36,694,355
Liabilities			
Current liabilities			
Trade and other payables	12	2,766,145	3,007,995
Lease liabilities	13	28,114	39,657
Provisions	14	29,981	31,107
Revenue received in advance	15	3,200,960	3,112,733
Total current liabilities		6,025,200	6,191,492
Non-current liabilities			
Borrowings	16	57,000	57,000
Lease liabilities	17	3,216,580	2,780,285
Provisions	18	2,074	-
Total non-current liabilities		3,275,654	2,837,285
Total liabilities		9,300,854	9,028,777
Net assets		43,670,319	27,665,578
Equity			
Retained surpluses	19	43,670,319	27,665,578
Total equity		43,670,319	27,665,578

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

Hakoah Club Limited
Statement of changes in equity
For the year ended 30 June 2023

	Retained profits $	Total equity $
Balance at 1 November 2021	15,220,570	15,220,570
Surplus after income tax expense for the year	12,445,008	12,445,008
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	12,445,008	12,445,008
Balance at 31 October 2022	27,665,578	27,665,578

	Retained profits $	Total equity $
Balance at 1 November 2022	27,665,578	27,665,578
Surplus after income tax expense for the year	16,004,741	16,004,741
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	16,004,741	16,004,741
Balance at 30 June 2023	43,670,319	43,670,319

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

Hakoah Club Limited
Statement of cash flows
For the year ended 30 June 2023

	Note	For the period from 1 November 2022 to 30 June 2023 $	2022 $
Cash flows from operating activities			
Receipts from customers and others		3,772,936	2,222,075
Payments to suppliers and employees		(1,894,772)	(925,943)
Interest received		715,775	38,315
Grant income - Australian Sports Foundation		10,459,818	11,200,785
Grant income - Community Development Grant		3,375,000	1,875,000
Net cash from operating activities		16,428,757	14,410,232
Cash flows from investing activities			
Payments for investments		-	(12,000,000)
Payments for property, plant and equipment		(15,869,770)	(3,594,332)
Proceeds from sale of land		3,695,445	6,314,555
Net cash used in investing activities		(12,174,325)	(9,279,777)
Cash flows from financing activities			
Repayment of lease liabilities		(48,240)	(40,774)
Loan from (repaid) to related and other parties		-	(452,304)
Increase in term deposits		-	(18,280)
Net cash used in financing activities		(48,240)	(511,358)
Net increase in cash and cash equivalents		4,206,192	4,619,097
Cash and cash equivalents at the beginning of the financial year		5,906,501	1,287,404
Cash and cash equivalents at the end of the financial year	4	10,112,693	5,906,501

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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

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

In prior years, the company's reporting year end was for the twelve months ending on 31 October of each year. During the current year, the company changed its financial reporting year end to 30 June 2023. Current year numbers therefore reflect comprehensive income for the period from 1 November 2022 to 30 June 2023 and the financial position as at 30 June 2023. Comparative numbers reflect comprehensive income for the twelve months from 1 November 2021 to 30 October 2022 and the financial position as at 30 October 2022.

The following Accounting Standards and Interpretations are most relevant to the company:

Basis of preparation
These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not-for profit oriented entities.

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition
The company recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or 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.

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

Membership fees
Membership fees where the membership has not been issued are recognised as membership fees received in advance. These fees will be recognised as revenue over the period in which the performance obligations are met.

Note 1. Significant accounting policies (continued)

Grants
When the entity receives grants, it accesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15. When both of these conditions are satisfied, the entity: (a) identifies each performance obligation relating to the grant; (b) recognises a contract liability for its obligation under the agreement; and (c) recognises revenue as it satisfies its performance obligations. Where the contract is not enforceable or does not have sufficiently specific performance obligations, the entity recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9, AASB 16, AASB 116 and AASB 138); recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the entity recognises income in profit or loss when or as it satisfies its obligations under the contract.

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

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

Rent
Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

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

Income tax
On 17 December 2021 the club obtained a private binding ruling from the Australian Taxation Office which confirms the Directors view that commencing this financial year the club is exempt from income tax pursuant to item 9.1(c) of section 50-45 of the Income Tax Assessment Act 1997 (ITAA 1997).

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

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

Deferred tax assets and liabilities are always classified as non-current.

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

Note 1. Significant accounting policies (continued)

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

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 receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

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

Impairment of financial assets
The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Note 1. Significant accounting policies (continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives. The depreciation rate is listed below:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	4%

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

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

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

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

Refund liabilities
Refund liabilities are recognised where the company receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the company does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

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

Note 1. Significant accounting policies (continued)

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Estimation of useful lives of assets
The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation 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.

Lease term
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate
Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision
As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Revenue

	For the period from 1 November 2022 to 30 June 2023 $	2022 $
Grant income - Australian Sports Foundation	10,459,818	11,200,785
Grant income - Community Development Grant	3,375,000	1,875,000
Interest	664,487	89,603
Rental income and outgoings recovered	7,861	57,425
Construction contribution	2,000,000	-
Revenue	16,507,166	13,222,813

Note 4. Current assets - cash and cash equivalents

	For the period ended 30 June 2023 $	2022 $
Cash at bank	10,112,693	5,906,501

Note 5. Current assets - trade and other receivables

	For the period ended 30 June 2023 $	2022 $
Trade receivables	253,927	19,435
Interest receivable	-	51,288
Other receivables	123,856	1,665,651
	377,783	1,736,374

The other receivables balance as at 31 October 2022 includes an amount of: $1,544,622 that pertained to membership fees received in advance that were held by Shopify Inc on the Club’s behalf as at 31 October 2022. During the period ended 30 June 2023, Shopify released all funds owing to the company.

Note 6. Current assets - held-to-maturity investments

	For the period ended 30 June 2023 $	2022 $
Senior Secured Class B Notes	12,000,000	12,000,000

Reconciliation
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening fair value	12,000,000	-
Additions	-	12,000,000
Closing fair value	12,000,000	12,000,000

The Senior Secured Class B Notes represent an investment with Alceon Finance Pty Ltd ATF Alceon MBS Trust, which matures on 25 September 2023 and has an interest rate of 7.5% per annum. All transactions were made on normal commercial terms and conditions and at market rates. A Director of Hakoah Club Limited is a principal of Alceon Finance Pty Ltd who recused himself from all sub-committee and Board discussions relating to the decision to make this investment.

Note 7. Current assets - Receivable from Sydney Jewish Community Centre Limited

	For the period ended 30 June 2023 $	2022 $
Receivable from Sydney Jewish Community Centre Limited	-	4,064,990

As disclosed in note 23, the land was sold to Sydney Jewish Community Centre Limited (SJCC) during the 2022 financial year for $10,010,000. An amount of $4,064,990 (incl GST) was receivable from SJCC as at 31 October 2022 relating to this sale. This amount was subsequently received in December 2022.

Note 8. Current assets - other

	For the period ended 30 June 2023 $	2022 $
Prepayments	9,485	4,497
Other deposits	6,171	6,171
Term deposits	18,280	18,280
	33,936	28,948

Note 9. Non-current assets - property, plant and equipment

	For the period ended 30 June 2023 $	2022 $
Plant and equipment - at cost	-	33,687
Less: Accumulated depreciation	-	(17,206)
	-	16,481
Development costs - at cost	27,705,991	10,131,440
	27,705,991	10,147,921

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Development Costs $	Plant and Equipment $	Total $
Balance at 1 November 2022	10,131,440	16,481	10,147,921
Additions	17,574,551	-	17,574,551
Write off of assets	-	(15,134)	(15,134)
Depreciation expense	-	(1,347)	(1,347)
Balance at 30 June 2023	27,705,991	-	27,705,991

Note 10. Non-current assets - right-of-use assets

	For the period ended 30 June 2023 $	2022 $
Land - right-of-use	2,769,482	2,769,482
Less: Accumulated depreciation	(50,354)	(4,196)
	2,719,128	2,765,286
Office lease - right-of-use	59,568	59,568
Less: Accumulated depreciation	(42,549)	(19,856)
	17,019	39,712
	2,736,147	2,804,998

The company leases land from Sydney Jewish Community Centre Ltd to build a community sports, fitness and leisure centre. The lease commenced on 29 August 2022 for a period of 30 years with an option to renew for four further terms of 20 years each.

The company leases an office space under an agreement from 1 April 2022 to 31 December 2023.

Note 10. Non-current assets - right-of-use assets (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	$	Total $
Balance at 1 November 2022	2,804,998	2,804,998
Depreciation expense	(68,851)	(68,851)
Balance at 30 June 2023	2,736,147	2,736,147

Note 11. Non-current assets - intangibles

	For the period ended 30 June 2023 $	**2022 $**
Trademark - at cost	4,623	4,623

Note 12. Current liabilities - trade and other payables

	For the period ended 30 June 2023 $	**2022 $**
GST Payable	301,106	1,890,698
Trade payables	20,948	50,663
Deposit	11,223	11,223
Other payables	2,432,868	1,055,411
	2,766,145	3,007,995

Other payables include amounts owing to Parkview and other creditors as at 30 June 2023.

Note 13. Current liabilities - lease liabilities

	For the period ended 30 June 2023 $	**2022 $**
Lease liability - Office lease	28,114	39,657

Note 14. Current liabilities - provisions

	For the period ended 30 June 2023 $	**2022 $**
Annual leave	11,520	10,038
Long service leave	18,461	21,069
	29,981	31,107

Note 15. Current liabilities - Revenue received in advance

	For the period ended 30 June 2023 $	2022 $
Membership fees received in advance	3,200,960	3,112,733

Note 16. Non-current liabilities - borrowings

	For the period ended 30 June 2023 $	2022 $
Unsecured Liabilities - Loans	57,000	57,000

The borrowings of $57,000 pertain to loans owing to parties who ceased to be directors many years ago. There are no loans owing to any of the current directors of the company as at 30 June 2023.

Note 17. Non-current liabilities - lease liabilities

	For the period ended 30 June 2023 $	2022 $
Lease liability - Land	3,216,580	2,769,482
Lease liability - Office lease	-	10,803
	3,216,580	2,780,285

Note 18. Non-current liabilities - provisions

	For the period ended 30 June 2023 $	2022 $
Long service leave	2,074	-

Note 19. Equity - retained surpluses

	For the period ended 30 June 2023 $	2022 $
Retained surpluses at the beginning of the financial year	27,665,578	15,220,570
Surplus after income tax expense for the year	16,004,741	12,445,008
Retained surpluses at the end of the financial year	43,670,319	27,665,578

Note 20. Key management personnel disclosures

No Directors receive any compensation in respect of their appointment.

Note 20. Key management personnel disclosures (continued)

Compensation
The aggregate compensation made to other members of key management personnel of the company is set out below:

	For the period from 1 November 2022 to 30 June 2023 $	2022 $
Aggregate compensation	67,644	68,659

Note 21. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Logicca Assurance Pty Ltd, the auditor of the company:

	For the period from 1 November 2022 to 30 June 2023 $	2022 $
Audit services - Logicca Assurance Pty Ltd		
Audit of the financial statements	18,000	18,000

Note 22. Commitments

	For the period ended 30 June 2023 $	2022 $
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant and equipment	69,590,000	63,101,000

Note 23. Related party transactions

Disclosures relating to key management personnel are set out in note 20.

Directors and other related parties
Except the loans disclosed below, no director or other related parties have entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' or other related parties' interests subsisting at year end.

From time to time directors and other related parties of the company may purchase goods from the company or participate in other Club activities. These purchases and participations are on the same terms and conditions as those entered into by any other member of the Club.

Note 23. Related party transactions (continued)

The following transactions occurred with related parties. All transactions were made on normal commercial terms and conditions and at market rates.

	For the period from 1 November 2022 to 30 June 2023 $	2022 $
Sale of goods and services:		
Sale of land to commonly controlled entity	-	10,010,000
Other income:		
Interest received from other related party	544,438	51,288
Other transactions:		
Investment in Senior Secured Class B Notes to other related party	12,000,000	12,000,000

During the 2022 financial year, the land was sold to the Sydney Jewish Community Centre Ltd (SJCC) for $10,010,000 which was its carrying value at the time of sale. Hakoah Club Limited and SJCC had common directors when this transaction occurred. All transactions were made on normal commercial terms and conditions and at market rates.

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties. All transactions were made on normal commercial terms and conditions and at market rates.

	For the period ended 30 June 2023 $	2022 $
Current receivables:		
Receivable from commonly controlled entity	-	4,064,990
Interest receivable from other related party	-	51,288

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	For the period ended 30 June 2023 $	2022 $
Current borrowings:		
Loan from directors	40,000	40,000
Loan from other related party	17,000	17,000

Note 24. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Hakoah Club Limited
Directors' declaration
30 June 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and

- 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 made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Mr Steven Lowy AM President	Mr Greg Einfeld Director

9 November 2023
Sydney

logicca

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HAKOAH CLUB LIMITED
ABN: 49 000 736 685

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAKOAH CLUB LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Hakoah Club Limited (the company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a. the accompanying financial report of Hakoah Club Limited is in accordance with the Corporations Act 2001, including:

   i. giving a true and fair view of the company's financial position as at 30 June 2023 and of its financial performance for the period then ended; and

   ii. complying with Australian Accounting Standards – Simplified Disclosures and the Corporations Act 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 auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (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 Hakoah Club Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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

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

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the period ended 30 June 2023, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the 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 have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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.

Name of firm: Logicca Assurance Pty Limited

Name of Director: Peter Hersh

Address: Level 6, 151 Macquarie Street Sydney NSW 2000

Dated this 10th day of November 2023