
Portugal Madeira Sydney Social & Cultural Sports Club Limited

ABN 16 106 879 440

Financial Statements
For the Year Ended 30 June 2023

Portugal Madeira Sydney Social & Cultural Sports Club Limited
Directors' Report
For the Financial Year Ended 30 June 2023

The directors present their report, together with the financial report of Portugal Madeira Sydney Social & Cultural Sports Club Limited (the company) for the year ended 30 June 2023.

Directors

The directors of the company in office at any time during or since the end of the financial year are:

Name of Director	Commenced Position	Position
Bruno Nobrega	Appointed 01/07/2018	Current
Jason Perestrelo	Appointed 01/12/2018	Current
Ed Pessego	Appointed 01/12/2018	Current
Ricardo Da Silva	Appointed 03/09/2020	Current
Kathleen Pereira	Appointed 05/03/2021	Current
Clara Alves	Appointed 05/03/2021	Current

Directors' meetings

The number of directors' meetings of the company's Board of Directors (the Board) that each director was eligible to attend and the number of meetings attended by each director was:

Name of Director	Meetings Held*	Meetings Attended
Bruno Nobrega	7	7
Jason Perestrelo	7	6
Ed Pessego	7	5
Ricardo Da Silva	7	6
Kathleen Pereira	7	1
Clara Alves	7	5

*Number of meetings held during the time the director held office during the year.

Company secretary

The following person held the position of company secretary at the end of the financial year:
 Ed Pessego – Appointed 27/01/2020

Principal activities during the year

During the year, the principal activity of the company consisted of operating as a licensed social and sporting club.

Changes in state of affairs

There have been no significant changes in the state of affairs of the company during the financial year.

Operating result

The loss of the company for the financial year after providing for income tax amounted to \$213,715 (2022: \$13,513 loss). When account movements in the revaluation of land and buildings are considered, the total comprehensive loss of the company for the financial year amounted to \$213,715 (2022: \$1,381,903 income).

Portugal Madeira Sydney Social & Cultural Sports Club Limited
Directors' Report
For the Financial Year Ended 30 June 2023

Objectives

Short term objectives

- Provide well maintained amenities and facilities that meet the needs of members;
- Maintain financial viability; and
- Maintain a high level of customer service, and satisfaction.

Long term objectives

- To ensure the club has a strong financial future;
- To ensure the club is a desirable entertainment venue for members and guests; and
- To develop the club as a meeting place for social cohesion for members and guests.

Strategy for achieving the objectives

- Provide members with a diverse range of entertainment, activities and facilities;
- Continue to grow membership and maintain a strong financial position; and
- Promote the club as a meeting place for social cohesion by supporting local community organisations.

Performance measures

The club measures its activities using financial and non-financial key performance indicators using:

- Club membership growth;
- Benchmarking key performance indicators against other clubs; and
- Comparison of actual financial performance on a weekly basis and to prior year performance.

Events subsequent to balance sheet date

There are no matters or circumstances that have arisen since the end of the year that have significantly affected or may significantly affect either:

- the entity's operations in future financial years
- the results of those operations in future financial years; or
- the entity's state of affairs in future financial years.

Future developments

The club will take advantage of improvement, amalgamation, and development opportunities that arise if they meet the club's objectives. The Board will report the result of such operations to the members within the limits required to maintain commercial in confidence information that may be likely to result in unreasonable prejudice to the company.

Liability of members

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the entity. At 30 June 2023, the total number of members was 523 (2022: 687). If the company is wound up, the members of the company would be liable to contribute \$52,300 (2022: \$68,700).

Proceedings on behalf of the company

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

The company was not a party to any such proceedings during the year.

Portugal Madeira Sydney Social & Cultural Sports Club Limited
Directors' Report
For the Financial Year Ended 30 June 2023

Indemnification of officers and auditors

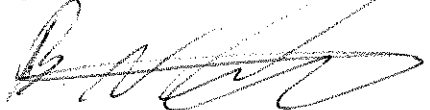
During the financial year, the company paid a premium in respect of a contract insuring the directors of the company (as named above), the company secretary and all executive officers of the company and any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or any related body corporate against a liability incurred as such an officer or auditor.

Auditor's independence declaration

A copy of the independence declaration as required under Section 307C of the *Corporations Act 2001* has been included.

Signed in accordance with a resolution of the directors:



Bruno Nobrega
President

26 November 2023



Jason Perestrelo
Treasurer

26 November 2023



SDJ Audit Pty Ltd t/a SDJA
ABN: 11 624 245 334
P: PO Box 324
West Pennant Hills NSW 2125
M: 0428 074 081
E: info@sdja.com.au
W: www.sdja.com.au

Portugal Madeira Sydney Social & Cultural Sports Club Limited
Auditor's Independence Declaration to the Directors of Portugal Madeira Sydney Social & Cultural Sports Club Limited
For the Financial Year Ended 30 June 2023

In accordance with the requirements of the *Corporations Act 2001*, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

SDJA

SDJA

Simon Joyce

Simon Joyce

Director

26 November 2023

Sydney, New South Wales

Portugal Madeira Sydney Social & Cultural Sports Club Limited
Statement of Profit or Loss and Other Comprehensive Income
For the Financial Year Ended 30 June 2023

	Notes	2023 \$	2022 \$
Revenue			
Revenue from contracts with customers	4	1,626,720	1,021,502
Other income	5	8,030	57,552
Total revenue		1,634,750	1,079,054
Expenses			
Cost of sales		(408,790)	(230,717)
Administration and other operating costs		(157,337)	(124,362)
Depreciation expense		(135,997)	(120,906)
Employee benefits expense		(549,120)	(299,270)
Finance costs		(195)	-
Marketing expenses		(18,636)	(6,804)
Net loss on sale of property, plant and equipment		(21,131)	-
Occupancy expenses		(230,163)	(128,921)
Soccer expenses		(327,096)	(181,587)
Total expenses		(1,848,465)	(1,092,567)
Net loss before income tax		(213,715)	(13,513)
Income tax expense		-	-
Net loss for the year		(213,715)	(13,513)
Other comprehensive income:			
Gain on revaluation of land and buildings		-	1,395,416
Total comprehensive (loss)/income		(213,715)	1,381,903

The accompanying notes form part of these financial statements.

Portugal Madeira Sydney Social & Cultural Sports Club Limited
Statement of Financial Position
As at 30 June 2023

	Notes	2023 \$	2022 \$
Assets			
Current			
Cash and cash equivalents	6	684,017	723,037
Trade and other receivables	7	5,778	2,350
Inventories	8	34,974	22,661
Other assets	9	15,932	18,322
Current assets		740,701	766,370
Non-current			
Property, plant and equipment	10	6,866,023	6,996,193
Non-current assets		6,866,023	6,996,193
Total assets		7,606,724	7,762,563
Liabilities			
Current			
Trade and other payables	11	131,354	79,812
Employee benefits	12	7,173	839
Current liabilities		138,527	80,651
Non-current			
Non-current liabilities		-	-
Total liabilities		138,527	80,651
Net assets		7,468,197	7,681,912
Equity			
Reserves	13	5,859,065	5,859,065
Retained earnings		1,609,132	1,822,847
Total equity		7,468,197	7,681,912

The accompanying notes form part of these financial statements.

Portugal Madeira Sydney Social & Cultural Sports Club Limited
Statement of Changes in Equity
For the Financial Year Ended 30 June 2023

	Notes	Asset Revaluation Reserve \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2021		4,463,649	1,836,360	6,300,009
Loss for the year		-	(13,513)	(13,513)
Other comprehensive income:				
Gain on revaluation of land and buildings		1,395,416	-	1,395,416
Total comprehensive income/(loss)		<u>1,395,416</u>	<u>(13,513)</u>	1,381,903
Balance at 30 June 2022		<u>5,859,065</u>	<u>1,822,847</u>	7,681,912
Balance at 1 July 2022		5,859,065	1,822,847	7,681,912
Loss for the year		-	(213,715)	(213,715)
Other comprehensive income		-	-	-
Total comprehensive loss		<u>-</u>	<u>(213,715)</u>	(213,715)
Balance at 30 June 2023		<u>5,859,065</u>	<u>1,609,132</u>	7,468,197

The accompanying notes form part of these financial statements.

Portugal Madeira Sydney Social & Cultural Sports Club Limited
Statement of Cash Flows
For the Financial Year Ended 30 June 2023

	Notes	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers and others		1,787,873	1,132,204
Receipts from government stimulus		500	31,948
Receipts from other grants		-	22,875
Payments to suppliers and employees		(1,804,161)	(1,066,429)
Interest received		3,921	3,565
Interest paid		(195)	-
Net cash (used in)/provided by operating activities		(12,062)	124,163
Cash flows from investing activities			
Payments for property, plant and equipment		(26,958)	(43,670)
Net cash used in investing activities		(26,958)	(43,670)
Cash flows from financing activities			
Net cash provided by financing activities		-	-
Net change in cash and cash equivalents		(39,020)	80,493
Cash and cash equivalents at beginning of financial year	6	723,037	642,544
Cash and cash equivalents at end of financial year	6	684,017	723,037

The accompanying notes form part of these financial statements.

Portugal Madeira Sydney Social & Cultural Sports Club Limited
Notes to the Financial Statements
For the Financial Year Ended 30 June 2023

1. General information

The financial report covers Portugal Madeira Sydney Social & Cultural Sports Club Limited as an individual entity. Portugal Madeira Sydney Social & Cultural Sports Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The principal activity of the entity was operating as a licensed social and sporting club.

Principal place of business is Portugal Madeira Sydney Social & Cultural Sports Club Limited, 1-3 Denby Street, Marrickville, NSW.

The financial report was authorised for issue by the directors on 26 November 2023.

2. Changes in accounting policies

New and revised standards that are effective for these financial statements

A number of revised standards became effective for the first time to annual periods beginning on or after 1 July 2022. The adoption of these revised accounting standards has not had a material impact on the entity's financial statements.

Accounting Standards issued but not yet effective and not been adopted early by the entity

A number of new and revised standards have been issued but are not yet effective and have not been adopted early by the entity. The directors are currently assessing the impact such standards will have on the entity.

3. Summary of accounting policies

Financial reporting framework

The general purpose financial statements of the entity have been prepared in accordance with the requirements of the *Corporations Act 2001*.

Statement of compliance

The general purpose financial statements of the entity have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures and other authoritative pronouncements of the Australian Accounting Standards Board.

Basis of preparation

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets and financial instruments for which the fair value basis of accounting has been applied.

The financial statements are presented in Australian Dollars (\$AUD), which is also the functional currency of the company.

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

Portugal Madeira Sydney Social & Cultural Sports Club Limited
Notes to the Financial Statements
For the Financial Year Ended 30 June 2023

Revenue from contracts with customers

Revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the entity expects to receive in exchange for those goods or services.

Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Other revenue

For any revenue streams that are not defined as contracts with customers, then the revenue is recognised when the entity gains control, economic benefits are probable and the amount of the revenue can be measured reliably.

Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

Income taxes

The income tax expense or benefit for the period, is the tax payable on that period's taxable income based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Mutuality principle

The company calculates its income in accordance with the mutuality principle, which excludes from income, any amounts of subscriptions and contributions from members, and payments received from members, for particular services provided by the club or association, e.g. poker machines, bar and dining room service, in the case of social clubs. The Commissioner of Taxation accepts this method of calculating income as appropriate for recognised clubs and associations.

Amendments to the *Income Tax Assessment Act 1997* ensure social clubs continue not to be taxed on receipts from contributions and payments received from members.

Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

Portugal Madeira Sydney Social & Cultural Sports Club Limited
Notes to the Financial Statements
For the Financial Year Ended 30 June 2023

Property, plant and equipment

Land and buildings at fair value

Land is shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment of buildings. The valuations are undertaken more frequently if there is a material change in fair value relative to the carrying amount. Any accumulated depreciation at the date of valuation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Increases in the carrying amounts arising on valuation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken up in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter decrements are taken to the profit and loss.

Plant and equipment at cost

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.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated over the asset's useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2.5% straight line
Plant and Equipment	10-20% diminishing value

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Impairment of non-financial assets

At the end of each reporting period the company determines whether there is evidence of an impairment indicator for non-financial assets.

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 the 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.

Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Portugal Madeira Sydney Social & Cultural Sports Club Limited
Notes to the Financial Statements
For the Financial Year Ended 30 June 2023

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

Provision for employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Reserves

Components of equity include the following:

- Revaluation reserve – comprises gains and losses from the revaluation of land and buildings (see Note 13)

Retained earnings include all current and prior period retained profits.

Comparative figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. With the exception of minor reclassifications between certain financial statement line items, comparatives are consistent with prior years, unless otherwise stated.

Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Portugal Madeira Sydney Social & Cultural Sports Club Limited
Notes to the Financial Statements
For the Financial Year Ended 30 June 2023

	2023	2022
	\$	\$
4. Revenue from contracts with customers		
<u>Revenue recognised over time</u>		
Player registration fees	280,395	228,678
Function revenue	551,014	57,286
Sponsorships	4,227	-
Member subscriptions	-	105
	<u>835,636</u>	<u>286,069</u>
 <u>Revenue recognised at a point in time</u>		
Food and beverage sales	515,877	499,388
Net poker machine clearances	258,027	224,077
Government GST rebate	17,180	11,968
	<u>791,084</u>	<u>735,433</u>
 Total revenue from contracts with customers	 <u>1,626,720</u>	 <u>1,021,502</u>

How the entity recognises revenue

Player registration fees, membership and sponsorship income

Revenue relating to player registration fees, membership and sponsorship is recognised over the period to which the agreement relates.

Function revenue

Revenue relating to functions is recognised over the period in which the service is provided.

Sale of goods

Sale of goods are recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer.

Gaming revenue

Gaming revenue is recognised when a game is played and is recognised net of payouts.

5. Other income

JobSaver/JobKeeper	-	32,448
Grants received	-	20,795
Insurance recovery	-	638
Interest income	7,849	3,565
Other income	181	106
	<u>8,030</u>	<u>57,552</u>

Portugal Madeira Sydney Social & Cultural Sports Club Limited
Notes to the Financial Statements
For the Financial Year Ended 30 June 2023

	2023	2022	
	\$	\$	
6. Cash and cash equivalents			
Cash on hand	12,718	15,000	
Cash at bank	141,285	181,677	
Short-term deposits	530,014	526,360	
	684,017	723,037	
7. Trade and other receivables			
Interest receivables	3,928	-	
Secured deposits	1,850	1,850	
Other receivables	-	500	
	5,778	2,350	
8. Inventories			
Stock on hand	34,974	22,661	
	34,974	22,661	
9. Other assets			
Prepayments	15,932	18,322	
	15,932	18,322	
10. Property, plant and equipment			
Land and buildings at fair value	7,051,966	7,051,966	
Land and buildings accumulated depreciation	(311,216)	(201,966)	
	6,740,750	6,850,000	
Plant and equipment at cost	1,361,926	1,385,724	
Plant and equipment accumulated depreciation	(1,236,653)	(1,239,531)	
	125,273	146,193	
Total property, plant and equipment	6,866,023	6,996,193	
	Land & Buildings	Plant & Equipment	Total
	\$	\$	\$
Net carrying amount 1 July 2022	6,850,000	146,193	6,996,193
Additions	-	26,958	26,958
Disposals	-	(21,131)	(21,131)
Depreciation	(109,250)	(26,747)	(135,997)
Net carrying amount 30 June 2023	6,740,750	125,273	6,866,023

Portugal Madeira Sydney Social & Cultural Sports Club Limited
Notes to the Financial Statements
For the Financial Year Ended 30 June 2023

	2023	2022
	\$	\$
11. Trade and other payables		
Trade payables	32,811	38,872
Accrued expenses	52,128	22,650
Net GST payable	46,415	18,290
	131,354	79,812
12. Employee benefits		
Current		
Provision for annual leave	7,173	839
	7,173	839
13. Reserves		
Asset revaluation reserve	5,859,065	5,859,065
	5,859,065	5,859,065

The asset revaluation reserve has been utilised for the revaluation of land and buildings held at fair value. The latest valuation was completed by licensed real estate agent, First National Iskandar Real Estate Marrickville. Their letter dated 30 June 2022, valued the property at \$6,850,000 (ex GST).

14. Related parties

The entity's related parties include its key management personnel and related entities as described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

	2023	2022
	\$	\$
<u>Key management personnel compensation</u>		
Total key management personnel compensation	-	-

Directors do not receive salaries or other payments for their time/services provided.

15. Remuneration of auditors

SDJA

Audit of financial report	9,450	9,000
Assistance with financial report preparation	2,100	2,000
	11,550	11,000

16. Commitments

The entity had no material unrecognised contractual commitments as at 30 June 2023.

Portugal Madeira Sydney Social & Cultural Sports Club Limited
Notes to the Financial Statements
For the Financial Year Ended 30 June 2023

17. Contingent liabilities

There are no contingent liabilities that have been incurred by the entity as at reporting date.

18. Subsequent events

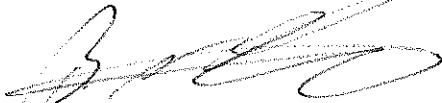
No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

Portugal Madeira Sydney Social & Cultural Sports Club Limited
Directors' Declaration
For the Financial Year Ended 30 June 2023

The directors of the company declare that in the directors' opinion:

- a) the financial statements and notes are 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 performance for the year ended on that date; and
 - ii) complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*; and
- b) there are reasonable grounds to believe that the company is able to pay all of its debts, as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Bruno Nobrega
President

26 November 2023



Jason Perestrelo
Treasurer

26 November 2023

Portugal Madeira Sydney Social & Cultural Sports Club Limited
Independent Auditor's Report to the Members of Portugal Madeira Sydney Social & Cultural Sports Club Limited
For the Financial Year Ended 30 June 2023

Qualified Opinion

We have audited the financial report of Portugal Madeira Sydney Social & Cultural Sports 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, 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, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the financial report of Portugal Madeira Sydney Social & Cultural Sports Club Limited has been prepared in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for Qualified Opinion

As is common for organisations of this type, it is not practicable to extend examination of cash-related income streams beyond accounting for funds received as recorded in the accounting records. Accordingly, our audit in relation to such income was limited to the amounts received. We cannot determine the effect of such adjustments, if any, which may have been necessary had the foregoing limitations not existed. Hence, our opinion is qualified with respect to the completeness of income in relation to cash-related revenue streams.

In addition, we were not able to attend the inventory stocktake at the end of the financial year, as a result we could not obtain an inventory valuation report, and thus, cannot provide a reasonable level of assurance over the valuation and allocation, and completeness of the inventory balance as at the end of 30 June 2023 and the accuracy and completeness of cost of sales for the year ended 30 June 2023. Hence, our opinion is qualified with respect to such balances and classes of transactions.

Finally, we were unable to obtain sufficient and appropriate supporting evidence for certain soccer expenses for the year ended 30 June 2023. Hence, our opinion is qualified with respect to such a class of transactions.

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.

Portugal Madeira Sydney Social & Cultural Sports Club Limited
Independent Auditor's Report to the Members of Portugal Madeira Sydney Social & Cultural Sports Club Limited
For the Financial Year Ended 30 June 2023

We are independent of the company in accordance with 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 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 of the company are responsible for the other information. The other information is the directors' report accompanying the financial report.

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 and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001*, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors of the company are responsible for assessing the registered 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 of the company either intend to liquidate the company or to cease operations, or has no realistic alternative but to do so. The directors of the company are responsible for overseeing the company's financial reporting process.

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 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 the financial report.

Portugal Madeira Sydney Social & Cultural Sports Club Limited
Independent Auditor's Report to the Members of Portugal Madeira Sydney Social & Cultural
Sports Club Limited
For the Financial Year Ended 30 June 2023

A further description of our responsibilities for audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

SDJA

SDJA

Simon Joyce

Simon Joyce

Director

26 November 2023

Sydney, New South Wales