

**SINGLETON RETURNED SERVICEMEN'S CLUB LIMITED**  
**ACN 001 037 949**

**NOTICE OF ANNUAL GENERAL MEETING AND RESOLUTIONS**

**NOTICE** is hereby given that the Annual General Meeting of **SINGLETON RETURNED SERVICEMEN'S CLUB LIMITED** will be held on **November 25, 2023** commencing at **9.30am** at the Club's premises located in York Street, Singleton.

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**BUSINESS**

The business of the meeting will be as follows:

1. Apologies.
2. To confirm the minutes of the previous Annual General Meeting.
3. To receive and consider the directors' report, financial report and auditors' report on the financial report for the last financial year and any other reports of the Board or of individual officers of the Club. Copies of these reports will be available on request from reception at the Club's premises in York Street between 10:00am to 4:00pm on business days. Copies of the reports will also be displayed on the Club's website.

**Note:** Members who may have questions in relation to any of the reports are requested to submit their questions in writing to the Chief Executive Officer **by 5:00pm on November 10, 2023**. This will allow sufficient time for information to be gathered or research undertaken. If questions are not submitted in this manner, the Club may not be able to provide a complete answer at the Annual General Meeting.

4. To declare the results of the election of the Board.
  5. To consider and if thought fit pass the two (2) Ordinary Resolutions set out in this Notice.
  6. To deal with any other business of which due notice has been given to members.
  7. General business.
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**PROCEDURAL MATTERS FOR RESOLUTIONS**

1. To be passed, an Ordinary Resolution must receive votes in favour from not less than a majority (50% + 1) of those members who, being eligible to do so, vote in person on the Ordinary Resolution at the meeting.
  2. Only financial Class A, B and C Ordinary members can vote on the Resolutions.
  3. Under the *Registered Clubs Act*, members who are employees of the Club cannot vote at the meeting and proxy voting is prohibited.
  4. The Board of the Club recommends the Resolutions to members.
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**FIRST ORDINARY RESOLUTION**

That:

- (a) the members hereby approve expenditure by the Club until the next Annual General Meeting of the Club for the following:
  - (i) the reasonable costs of directors attending seminars, lectures and other educational activities as determined by the Board from time to time.
  - (ii) the reasonable costs (including travel and accommodation expenses) of directors and their spouses/partners attending meetings, conferences and trade shows conducted by ClubsNSW and such other conferences and trade shows as determined by the Board from time to time.
  - (iii) the reasonable cost of a meal and beverage for each director immediately after, a Board or Committee Meeting on the day of that meeting, when that meeting corresponds with a normal mealtime.
  - (iv) the reasonable cost for directors to attend ClubsNSW regional meetings as required.
  - (v) the reasonable cost of directors attending any other registered club for the purpose of viewing and assessing its facilities as determined by the Board as being necessary for the benefit of the Club.
  - (vi) the reasonable cost of directors (and their spouses/partners if required) attending any club, community or charity function as the representatives of the Club and authorised by the Board to do so.
  - (vii) the reasonable cost of Club uniforms being provided to directors as required.
- (b) the members acknowledge that the benefits in paragraph (a) are not available for members generally but are only for those who are directors (and their spouses/partners in certain circumstances) of the Club.

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**Notes to Members on First Ordinary Resolution**

1. The First Ordinary Resolution is to have the members in general meeting approve expenditure by the Club on directors (and their spouses/partners in certain circumstances) in respect of the matters set out in the Ordinary Resolution.
2. Included in the First Ordinary Resolution is the cost of directors attending seminars, lectures, trade displays and other similar events to be kept abreast of current trends and developments which may have a significant bearing on the Club.

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**SECOND ORDINARY RESOLUTION**

That members approve the payment of an honorarium of \$6,000 (inclusive of any superannuation guarantee levy if payable) for the Chairman, \$3,000 (inclusive of any superannuation guarantee levy if payable) for the Vice Chairman and \$600 for all other Directors in respect of their services to the Club for the period between the Annual General Meetings to be held in 2023 and 2024.

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**Notes to Members on Second Ordinary Resolution**

The Second Ordinary Resolution is to have the members approve an honorarium of \$6,000 (inclusive of any superannuation guarantee levy if payable) for the Chairman, \$3,000 (inclusive of any superannuation guarantee levy if payable) for the Vice Chairman and \$600 for all other Directors in respect of their services to the Club for the period between the Annual General Meetings to be held in 2023 and 2024.

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**Dated: October 16, 2023****By direction of the Board**

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**Michael Titow**  
**Chief Executive Officer**

## **CHAIRMAN'S REPORT 2022-2023**

On behalf of the Board of Directors it is with great pleasure that I present my annual report which indicates Singleton Diggers has achieved another record profit \$2,126,895 for the 2022-2023 financial year.

This result is an increase of almost \$520,000 from the previous financial year and is an excellent achievement during the current financial situation which has seen the Reserve Bank lift interest rates on numerous occasions during our financial year. Inflation and interest rate rises are the two dark clouds hanging over the Australian economy which in turn will have financial ramifications on the Club Industry moving forward.

Vale John "Darcey" Dennis, it is with great sadness that we had the passing of Life Member Darcey Dennis early this year, who served as Chairman and Board member for over 20 years.

In February 2023 the Board of Directors approved the Club taking control of the York Street Diggers restaurant and re-branding the restaurant "Marble & Vine". The Club appointed and welcomed full-time chef Mr Jean-Luc Lundy to the team and re-employed most of the existing staff of the former contractor.

The Club has completed the installation of additional solar panels at both Clubs. This in turn will reduce energy costs at both venues.

This coming financial year: 2023-24 the following major works will be undertaken at both Clubs:

### **York Street Diggers**

- Refurbishment of the male and female toilets
- Replacement of the existing bowling green mat

### **Alroy Park Diggers**

- Construction of a new beer garden
- Construction of a reflection wall
- Re-opening of the café

This year Singleton Diggers distributed a sum of \$196,473 to Community groups of the local area through the ClubGRANTS initiative.

The Club also conducted the annual staff service awards evening where the Club and the staff take the opportunity to recognise each employee who has reached five or more years of continuous and loyal service.

Throughout the year, the Club, like many other businesses, have experienced difficulties in hiring additional staff to provide the high level of service to our membership base – however, to all our current staff who are carrying out their duties diligently and have demonstrated loyalty and dedication to the Club and more importantly to you the member – job well done to all.

On behalf of the Board of Directors a HUGE thank you to the Club's Chief Executive Officer Michael Titow for his leadership along with his Management Team who have provided sound financial assistance to the Board of Directors so that financial decisions could be reached. All the staff have contributed to Singleton Diggers achieving this magnificent financial result.

Thank you also to the Board of Directors who have throughout the year demonstrated their commitment to their duties and their loyal support.

Finally, to our Club members and the Singleton community for your unwavering support of your Club – Singleton Diggers. "The Club of Choice"

**Neil J. Gallagher**  
**Chairman**

## CHIEF EXECUTIVE OFFICER'S REPORT

It is with pleasure I present the 2022-2023 Annual Report and financial results. After three years of COVID-19 related constraints, finally we have had a year of relatively unencumbered trading, albeit still impaired by some construction at the Alroy Park Club.

With the end of financial year now behind us, we look towards the second half of the calendar year with many of us starting the countdown towards the Christmas break. I am happy to report Singleton Diggers recorded a profit of \$2,126,895, the details of which is outlined in the Club's Financial Report, but more importantly that this enables our Club to continue to provide funding to our local Community organisations, for charities and fundraising events and community projects to really give back to our members and wider Community.

### Vale John "Darcey" Dennis (Life Member)

It was with great sadness that we were advised of the passing of Life Member John "Darcey" Dennis early this year. Darcey was Chairman of the Board and Director for a combined 20 years.

### Singleton Diggers – Alroy Park

The completion of the alfresco area (the Arbor) is nearing completion and is due to open in time for summer this year. Along with the Arbor, the function rooms have also been given a facelift, with a breakout balcony being added to the function space as well as more functionality, the rooms being able to be broken into two separate rooms and the latest audio-visual equipment added.

Along with the new refurbishment comes a new brand identity, the Club formally known as Singleton Diggers – Alroy Park, will now be known as "Club Dorsman". The Alroy Bistro will also undergo a name change, moving forward the restaurant will now be known as "eight". The name changes were necessary due to the confusion of the Clubs being identified/named so closely.

### Board of Directors and Corporate Governance

I take this opportunity to recognise and thank the Board for their commitment to our Club, Members, staff, and community. On a personal note, I thank Chairman Neil Gallagher and the Board for the guidance and support provided to myself and to our staffing team.

## Staff

Yet again I am proud to praise our wonderful staff for the care and service they provide to our membership. This is again evident through our continually high Member satisfaction results, which always rate our staff, service, and standards the highest scores and note Singleton Diggers as a standard.

Congratulations, well done and thank you all.

Michael Titow  
MBA, MBM, ACCM  
Chief Executive Officer

**Singleton Returned Servicemen's Club Limited**  
ABN 39 001 037 949

# **Financial Report**

**30 June 2023**

# Singleton Returned Servicemen's Club Limited

## Financial Report – 30 June 2023

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## Directors' Report

Your directors present their report on Singleton Returned Servicemen's Club Limited for the year ended 30 June 2023.

### Directors

The following persons were directors of Singleton Returned Servicemen's Club Limited during the financial year and up to the date of this report:

N Gallagher  
M Madden  
S Bates  
M Lancaster  
R Rogers  
A Lynch  
D Kramer

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### Principal activities

The Company's principal continuing activities during the year consisted of operating as a registered club and providing amenities to members and their guests.

The entity's short-term objectives are to:

- Exceed members and guests needs and expectations on the provision of facilities, products and services.
- Support a safe and friendly environment for staff and customers that encourages the principles of the Responsible Service of Alcohol and the Responsible Conduct of Gaming.

The entity's long-term objectives are to:

- Provide the community a continual level of high quality services and facilities in a safe and friendly environment.
- Generate profits that will be reinvested into improved services and facilities for members and community support.

To achieve these objectives, the entity has adopted the following strategies:

- The board of directors, management and staff together are committed to achieving the best practice principles which are measurable by the continual support of community partnerships whilst exceeding financial benchmarks.
- Meeting and surpassing our strategic goals is achieved through constant review and evaluation of business practices using the opinions of members and their guests, staff and professional alliances.

No significant changes in the nature of the Company's activities occurred during the year.

### Review of operations

	2023	2022
	\$	\$
Net profit/(loss)	<u>2,126,895</u>	<u>1,607,314</u>

### Information on Directors

Director	Experience	Special Responsibilities	Expertise
N Gallagher	Director for 5 years	Chairman	Retired
M Madden	Director for 4 years	Vice Chairman	Electrician
S Bates	Director for 13 years	Director	Open Cut Miner
M Lancaster	Director for 13 years	Director	Retired
R Rogers	Director for 3 years	Director	Former Local Councillor
A Lynch	Director for 3 years	Director	Army Officer
D Kramer	Director for 2 years	Director	Sales Manager

Singleton Returned Servicemen's Club Limited

## Directors' Report

(continued)

### Meetings of Directors

The number of meetings of the Company's directors held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Directors' Board meetings		Directors' Special meetings	
	Number attended	Number eligible to attend	Number attended	Number eligible to attend
N Gallagher	11	11	2	3
M Madden	11	11	3	3
S Bates	9	11	1	3
M Lancaster	9	11	3	3
R Rogers	11	11	-	-
A Lynch	8	11	-	-
D Kramer	9	11	-	-

### Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$5 each towards meeting any outstanding obligations of the entity. At 30 June 2023, the total amount that members of the Company are liable to contribute if the Company is wound up is \$43,850 (2022: \$41,540).

### Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2023 has been received and included on page 25.

This report is signed in accordance with a resolution of the Board of Directors.

*N. T. Gallagher*  
N Gallagher  
Chairman

*Madden*  
M Madden  
Vice Chairman

Singleton  
28 September 2023

## Club Property Declarations

Pursuant to Section 41J(2) of the Registered Clubs Act the Directors declare that, for the financial year ended 30 June 2023, the classifications of the property held are as follows:

### Core Property:

#### Property Address

York Street, Singleton NSW 2330

8 Dorsman Drive, Singleton Heights NSW 2330

105 Blaxland Avenue, Singleton Heights NSW 2330

#### Current Usage

Clubhouse and carpark

Clubhouse and carpark

Clubhouse

### Non-core Property:

#### Property Address

47 Castlereagh Street, Singleton NSW 2330

61 Castlereagh Street, Singleton NSW 2330

#### Current Usage

Investment property

Investment property

### Notes to Members

1. Section 41J(2) of the Registered Clubs Act requires the annual report to specify the core property and non-core property of the Club as at the end of the financial year to which the report relates.
2. Core property is any real property owned or occupied by the Club that comprises:
  - a) The defined premises of the Club; or
  - b) Any facility provided by the Club for use by its members and their guests; or
  - c) Any other property declared by a resolution passed by a majority of the members present at a general meeting of ordinary members of the Club to be core property of the Club.
3. Non-core property is any other property other than that referred to above as core property and any property which is declared by the members at a general meeting of ordinary members of the Club not to be core property.
4. The significance of the distinction between core property and non-core property is that the Club cannot dispose of any core property unless:
  - a) The property has been valued by a registered valuer within the meaning of the Valuers Act 2003; and
  - b) The disposal has been approved at a general meeting of the ordinary members of the Club at which the majority of the votes cast support the approval; and
  - c) Any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.
5. These disposal provisions and what constitutes a disposal for the purposes of section 41J are to some extent modified by regulations made under the Registered Clubs Act and by Section 41J itself. For example, the requirements in paragraph 4 above do not apply to:
  - a) Core property that is being leased or licensed for a period not exceeding 10 years on terms that have been the subject of a valuation by a registered valuer;
  - b) Core property that is leased or licensed to a telecommunications provider for the purposes of a telecommunication tower.

## Income Statement

For the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Revenue from continuing operations	3	12,240,549	9,325,393
<b>Expenses</b>			
Borrowing costs		955	838
Cost of goods sold	4	1,099,887	718,287
Employee benefits expense		2,588,338	1,881,183
Depreciation and amortisation expenses	4	1,427,131	1,400,891
Other expenses from continuing operations		4,933,839	3,675,046
		<u>10,050,150</u>	<u>7,676,245</u>
<b>Profit/(loss) from continuing operations before income tax</b>		2,190,399	1,649,148
Income tax (revenue)/expense	5	<u>63,504</u>	<u>41,834</u>
<b>Profit/(loss) after related income tax expense</b>		<u>2,126,895</u>	<u>1,607,314</u>
<b>Total changes in equity</b>		<u>2,126,895</u>	<u>1,607,314</u>

*The above income statement should be read in conjunction with the accompanying notes.*

**Balance Sheet**

As at 30 June 2023

	Notes	2023 \$	2022 \$
<b>Current assets</b>			
Cash and cash equivalents	6,24	9,130,651	6,998,966
Receivables	7,24	134,378	114,978
Inventories	8	118,004	79,652
Income tax receivable	9	-	7,314
Other	10	315,243	293,404
Total current assets		<u>9,698,276</u>	<u>7,494,314</u>
<b>Non-current assets</b>			
Property, plant and equipment	11	17,718,620	17,797,965
Deferred tax assets	12	27,557	19,252
Intangible assets	13	1,612,802	1,612,802
Total non-current assets		<u>19,358,979</u>	<u>19,430,019</u>
<b>Total assets</b>		<u>29,057,255</u>	<u>26,924,333</u>
<b>Current liabilities</b>			
Payables	14,24	878,077	1,033,042
Interest bearing liabilities	15,24	7,325	9,186
Income tax payable	16	42,074	-
Provisions	17	625,050	515,730
Other	18	31,748	35,268
Total current liabilities		<u>1,584,274</u>	<u>1,593,226</u>
<b>Non-current liabilities</b>			
Interest bearing liabilities	19,24	-	7,325
Deferred tax liabilities	20	96,628	82,672
Provisions	21	24,643	13,911
Other	22	14,566	16,950
Total non-current liabilities		<u>135,837</u>	<u>120,858</u>
<b>Total liabilities</b>		<u>1,720,111</u>	<u>1,714,084</u>
<b>Net assets</b>		<u>27,337,144</u>	<u>25,210,249</u>
<b>Equity</b>			
Retained profits	23	27,337,144	25,210,249
<b>Total equity</b>		<u>27,337,144</u>	<u>25,210,249</u>

*The above balance sheet should be read in conjunction with the accompanying notes.*

## Cash Flow Statement

For the year ended 30 June 2023

	Notes	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of goods and services tax)		13,391,983	10,163,527
Payments to suppliers and employees (inclusive of goods and services tax)		<u>(9,859,506)</u>	<u>(6,995,794)</u>
		3,532,477	3,167,733
Interest received		155,364	14,902
Borrowing costs paid		(955)	(838)
Income tax paid		<u>(16,382)</u>	<u>(6,848)</u>
<b>Net cash inflow (outflow) from operating activities</b>	26	<u>3,670,504</u>	<u>3,174,949</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(1,569,633)	(1,511,768)
Proceeds from sale of property, plant and equipment		40,000	-
<b>Net cash inflow (outflow) from investing activities</b>		<u>(1,529,633)</u>	<u>(1,511,768)</u>
<b>Cash flows from financing activities</b>			
Repayment of Borrowings		(9,186)	(16,511)
<b>Net cash inflow (outflow) from financing activities</b>		<u>(9,186)</u>	<u>(16,511)</u>
<b>Net increase (decrease) in cash held</b>		2,131,685	1,646,670
Cash at the beginning of the financial year		6,998,966	5,352,296
<b>Cash at the end of the financial year</b>	6	<u>9,130,651</u>	<u>6,998,966</u>

*The above cash flow statement should be read in conjunction with the accompanying notes.*

Singleton Returned Servicemen's Club Limited

## Statement of Changes in Equity

For the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Total equity at the beginning of the financial year		25,210,249	23,602,935
Total recognised income and expense for the year	23	2,126,895	1,607,314
Total equity at the end of the financial year		<u>27,337,144</u>	<u>25,210,249</u>

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

## Notes to the Financial Statements

30 June 2023

### Note 1. Summary of significant accounting policies

The financial statements are for Singleton Returned Servicemen's Club Limited as an individual entity, incorporated and domiciled in Australia. Singleton Returned Servicemen's Club Limited is a company limited by guarantee.

#### Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), and comply with other requirements of the law.

For the purposes of preparing the financial statements, the Company is a not-for-profit entity.

The presentation currency used in these financial statements is Australian dollars (\$). Amounts in these financial statements are stated in Australian dollars unless otherwise noted.

#### Statement of Compliance

These financial statements are general purpose financial statements for distribution to the members and for the purpose of fulfilling the requirements of the Corporations Act 2001. They have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures made by the Australian Accounting Standards Board and the Corporations Act 2001.

These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards - Simplified Disclosures. In the prior year the financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements. There was no impact on the recognition and measurement of amounts recognised in the financial statements of the Company as a result of the change in the basis of preparation. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 27 September 2023 by the directors of the company.

#### Accounting Policies

##### (a) Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss. Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.



## Notes to the Financial Statements

30 June 2023 (continued)

### Note 1. Summary of significant accounting policies (continued)

**(b) Inventories**

Inventories are measured at the lower of cost and current replacement cost.

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, any accumulated depreciation and impairment losses.

**Property**

Freehold land and buildings are measured on the cost basis. The carrying amount of freehold land and buildings is reviewed to ensure it is not in excess of the recoverable amount based on valuations by external independent valuers, less subsequent depreciation for buildings, undertaken every 3 to 5 years.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve 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 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 initially recognised and measured 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 the estimated recoverable amount, the carrying amount is written down immediately to the 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 valued and 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 capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the entity commencing from the time the asset is held ready 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.

The expected useful lives are as follows:

Buildings	40 years
Plant and equipment	1-20 years

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 and losses are included in the income statement in the period in which they arise. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**(d) Leases**

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

## Notes to the Financial Statements

30 June 2023 (continued)

### Note 1. Summary of significant accounting policies (continued)

#### (d) Leases (continued)

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 Entity 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 lessee is reasonably certain to exercise the options; and
- 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 Entity anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

#### (e) Financial Instruments

Financial assets and financial liabilities are recognised when the entity 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 (i.e. trade date accounting is adopted). Financial instruments 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 recognised immediately as expenses in profit or loss.

##### Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value (refer to Note 1(p)), amortised cost using the effective interest method, or cost.

*Amortised cost* is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

##### (i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount included in profit or loss.

##### (ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

## Notes to the Financial Statements

30 June 2023 (continued)

### Note 1. Summary of significant accounting policies (continued)

#### (e) Financial Instruments (continued)

##### *(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

##### *(iv) Available-for-sale financial assets*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

##### *(v) Financial Liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

#### **Impairment**

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

#### **Derecognition**

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

## Notes to the Financial Statements

30 June 2023 (continued)

### Note 1. Summary of significant accounting policies (continued)

**(f) Impairment of Assets**

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in *AASB 116: Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

**(g) Intangibles**

**Poker machine Entitlements**

Entitlements are recognised at cost of acquisition. Entitlements have an infinite life. Entitlements are tested annually for impairment and carried at cost less accumulated impairment losses.

**(h) Provisions**

Provisions are recognised when the entity 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.

**(i) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

**(j) 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 within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick 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 current trade and other payables in the balance sheet.

*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 company'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 government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current liabilities 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.

*Retirement benefit obligations*

*Defined contribution superannuation benefits*

All employees of the company receive defined contribution superannuation entitlements, for which the company pays the fixed superannuation guarantee contribution (currently 10.0% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's balance sheet.

## Notes to the Financial Statements

30 June 2023 (continued)

### Note 1. Summary of significant accounting policies (continued)

**(k) Revenue and other income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue is recognised for the major business activities as follows:

*(i) Poker Machines*

Revenue is recognised as the net amount cleared from all machines.

*(ii) Other*

A sale is recorded when the goods or services have been provided to the customer.

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

**(l) 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.

**(m) Goods and Service 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 as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement 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.

**(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) Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial report 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**

*Impairment*

The freehold land and buildings were independently valued on 30 June 2019 by TEW Property Valuations. The valuation was based on fair value in accordance with *AASB 116: Property, Plant and Equipment*. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties.

At 30 June 2023, the directors have performed a directors' valuation on the freehold land and buildings. The directors have reviewed the key assumptions adopted by the valuers during the 2019 year and do not believe there has been a significant change in the assumptions at 30 June 2023. The directors therefore believe the carrying value of the land correctly reflects the fair value less costs to sell at 30 June 2023.

## Notes to the Financial Statements

30 June 2023 (continued)

### Note 1. Summary of significant accounting policies (continued)

**(p) Fair Value of Assets and Liabilities**

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

'Fair value' is the price the entity 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 the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (i.e. 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 entity's own equity instruments (if any) 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.

## Notes to the Financial Statements

30 June 2023 (continued)

### Note 2. Segment information

The entity operates predominantly in 1 industry. The entity operates predominantly in 1 geographical area, being Singleton, New South Wales.

### Note 3. Revenue

	2023 \$	2022 \$
<b>Revenue from operations</b>		
Sale of goods – Bar	2,236,706	1,614,627
Sale of goods – Catering	649,652	175,778
Services	9,157,163	7,391,778
	<u>12,043,521</u>	<u>9,182,183</u>
<b>Other Revenue</b>		
Government assistance – JobSaver Payment	-	92,180
Interest	155,364	14,902
Profit on disposal of fixed assets	16,151	-
Rental income	25,513	36,128
	<u>197,028</u>	<u>143,210</u>
<b>Revenue from continuing operations</b>	<u>12,240,549</u>	<u>9,325,393</u>

### Note 4. Profit/(loss) from continuing operations

	2023 \$	2022 \$
<b>Net gains and expenses</b>		
Profit/(loss) from continuing operations before income tax expense includes the following specific net gains and expenses:		
<b>Expenses</b>		
<i>Cost of sales of goods</i>		
Bar	852,515	667,129
Catering	247,372	51,158
Total cost of goods sold	<u>1,099,887</u>	<u>718,287</u>
<i>Depreciation and Amortisation</i>		
Buildings	422,128	421,854
Plant and equipment	996,255	970,289
Right-of-use asset – photocopier	8,748	8,748
Total depreciation	<u>1,427,131</u>	<u>1,400,891</u>
<i>Interest</i>		
Right-of-use asset	488	838
Other	467	-
Total interest	<u>955</u>	<u>838</u>
Net loss on disposal of property, plant and equipment	<u>5,970</u>	<u>90,548</u>
Rental expense relating to operating leases		
Minimum lease payments	<u>4,690</u>	<u>5,035</u>

# Notes to the Financial Statements

30 June 2023 (continued)

## Note 5. Income tax

	2023 \$	2022 \$
<b>(a) Income tax expense</b>		
Current income tax (revenue) expense	57,853	3,552
Deferred income tax (revenue) expense	5,651	38,282
	<u>63,504</u>	<u>41,834</u>
Deferred income tax (revenue) expense included in income tax expense comprises:		
Decrease (Increase) in deferred tax assets (note 12)	(8,305)	(1,642)
(Decrease) Increase in deferred tax liabilities (note 20)	13,956	39,924
	<u>5,651</u>	<u>38,282</u>
<b>(b) Numerical reconciliation of income tax expense to prima facie tax payable</b>		
Pre-tax profit/(loss)	2,190,399	1,649,148
Tax at Australian tax rate of 25.0% (2022 – 25.0%)	547,600	412,287
Tax effect of amounts which are not deductible (assessable) in calculating taxable income:		
Non-Deductible Items	447,854	422,928
Other Assessable Income	452	408
Tax Depreciation and capital works	(467,198)	(440,708)
Non-Assessable Income	(14,176)	(23,497)
Non-Deductible Exempt Expense	7,995	7,995
Other Deductible Expenses	(67,686)	(62,428)
Effect of Mutuality	(396,988)	(306,380)
Tax losses accumulated (used)	-	(7,053)
Total current income tax expense	<u>57,853</u>	<u>3,552</u>

## Note 6. Current assets – Cash and cash equivalents

	2023 \$	2022 \$
Unrestricted cash and cash equivalents:		
Cash on hand	273,900	243,900
Operating accounts	3,766,932	3,671,327
Term Deposits	5,010,586	3,000,976
	<u>9,051,418</u>	<u>6,916,203</u>
Restricted cash and cash equivalents:		
Category 3 Funding	79,233	82,763
	<u>9,130,651</u>	<u>6,998,966</u>
Total cash and cash equivalents		
The above figures are reconciled to cash at the end of the financial year as shown in the cash flow statement as follows:		
Balances as above	9,130,651	6,998,966
Balances per cash flow statement	<u>9,130,651</u>	<u>6,998,966</u>

## Note 7. Current assets – Receivables

	2023 \$	2022 \$
Trade debtors	40,704	91,763
Accrued interest	56,704	1,806
Poker machine duty subsidy	2,863	2,863
Other debtors	34,107	18,546
	<u>134,378</u>	<u>114,978</u>



# Notes to the Financial Statements

30 June 2023 (continued)

## Note 8. Current assets – Inventories

	2023 \$	2022 \$
Retail stock – at cost	<u>118,004</u>	<u>79,652</u>

## Note 9. Current assets – Income tax receivable

	2023 \$	2022 \$
Income tax receivable	<u>-</u>	<u>7,314</u>

## Note 10. Current assets – Other

	2023 \$	2022 \$
Prepayments	<u>315,243</u>	<u>293,404</u>

## Note 11. Non-current assets – Property, plant and equipment

	2023 \$	2022 \$
<b>Land and buildings</b>		
Freehold land at cost	<u>1,168,809</u>	<u>1,168,809</u>
Buildings at cost	<u>18,785,105</u>	<u>18,599,024</u>
Less: Accumulated depreciation	<u>(6,259,354)</u>	<u>(5,837,226)</u>
	<u>12,525,751</u>	<u>12,761,798</u>
Total land and buildings	<u>13,694,560</u>	<u>13,930,607</u>
<b>Bowling Greens</b>		
Bowling greens at cost	<u>157,948</u>	<u>157,948</u>
Less: Accumulated depreciation	<u>(149,201)</u>	<u>(147,899)</u>
	<u>8,747</u>	<u>10,049</u>
<b>Plant and equipment</b>		
At cost	<u>10,690,716</u>	<u>10,247,745</u>
Less: Accumulated depreciation	<u>(6,682,329)</u>	<u>(6,406,110)</u>
	<u>4,008,387</u>	<u>3,841,635</u>
<b>Right-of-use Assets</b>		
At cost	<u>43,738</u>	<u>43,738</u>
Less: Accumulated amortisation	<u>(36,812)</u>	<u>(28,064)</u>
	<u>6,926</u>	<u>15,674</u>
Total plant and equipment	<u>4,024,060</u>	<u>3,867,358</u>
Total property, plant and equipment	<u>17,718,620</u>	<u>17,797,965</u>

## Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are as set out below:

	Freehold land \$	Buildings \$	Bowling greens \$	Plant and equipment \$	Right-of- use Assets	Total \$
Carrying amount at 1 July 2022	1,168,809	12,761,798	10,049	3,841,635	15,674	17,797,965
Additions	-	186,082	-	1,215,480	-	1,401,562
Disposals	-	-	-	(53,776)	-	(53,776)
Depreciation/amortisation expense	-	(422,129)	(1,302)	(994,952)	(8,748)	(1,427,131)
Carrying amount at 30 June 2023	<u>1,168,809</u>	<u>12,525,751</u>	<u>8,747</u>	<u>4,008,387</u>	<u>6,926</u>	<u>17,718,620</u>

## Notes to the Financial Statements

30 June 2023 (continued)

### Note 12. Non-current assets – Deferred tax assets

	2023	2022
	\$	\$
The balance comprises temporary differences attributable to:		
Employee benefits	22,303	15,027
Payables	1,191	956
Prepayments	2,823	2,522
Other provisions	1,240	747
Net deferred tax asset	27,557	19,252
Less: deferred tax assets at 30 June 2022	19,252	17,610
Decrease (Increase) in deferred tax included in income tax expense (note 5)	(8,305)	(1,642)

### Note 13. Non-current assets – Intangible assets

	2023	2022
	\$	\$
Poker machine entitlements	1,612,802	1,612,802

### Note 14. Current liabilities – Payables

	2023	2022
	\$	\$
Trade creditors	580,768	567,932
Accrued expenses	59,118	49,181
Poker Machine Duty payable	114,636	114,071
Net BAS liability	89,738	76,755
Other creditors	33,817	225,103
	878,077	1,033,042

### Note 15. Current liabilities – Interest bearing liabilities

	2023	2022
	\$	\$
Photocopier lease	7,325	9,186

### Note 16. Current liabilities – Income tax payable

	2023	2022
	\$	\$
Income tax payable	42,074	-

### Note 17. Current liabilities – Provisions

	2023	2022
	\$	\$
Employee entitlements	569,306	468,124
IGT Rewards points	22,736	23,674
Vouchers not redeemed	2,376	1,144
Other	30,632	22,788
	625,050	515,730

# Notes to the Financial Statements

30 June 2023 (continued)

## Note 18. Current liabilities – Other

	2023	2022
	\$	\$
Subscriptions in advance	22,415	25,874
Other	9,333	9,394
	<u>31,748</u>	<u>35,268</u>

## Note 19. Non-current liabilities – Interest bearing liabilities

	2023	2022
	\$	\$
Photocopier lease	-	7,325

## Note 20. Non-current liabilities – Deferred tax liabilities

	2023	2022
	\$	\$
The balance comprises of temporary differences attributable to:		
Depreciation	94,499	82,616
Receivables	2,129	56
Net deferred tax liability	<u>96,628</u>	<u>82,672</u>
Less: deferred tax liabilities at 30 June 2022	<u>82,672</u>	<u>42,748</u>
(Decrease) Increase in deferred tax liabilities included in income tax expense (note 5)	<u>13,956</u>	<u>39,924</u>

## Note 21. Non-current liabilities – Provisions

	2023	2022
	\$	\$
Employee entitlements	<u>24,643</u>	<u>13,911</u>

## Note 22. Non-current liabilities – Other

	2023	2022
	\$	\$
Subscription in advance	<u>14,566</u>	<u>16,950</u>

## Note 23. Retained profits

	2023	2022
	\$	\$
<b>Retained profits</b>		
Retained profits at the beginning of the financial year	25,210,249	23,602,935
Net profit/(loss)	2,126,895	1,607,314
Retained profits at the end of the financial year	<u>27,337,144</u>	<u>25,210,249</u>

## Note 24. Financial instruments

### (a) Interest rate risk exposures

The entity's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table. For interest rates applicable to each class of asset or liability, refer to individual notes to the financial statements.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as the entity intends to hold fixed rate assets and liabilities to maturity.

# Notes to the Financial Statements

30 June 2023 (continued)

## Note 24. Financial instruments (continued)

2023	Notes	Fixed interest maturing in:				Non-Interest Bearing	Total
		Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years		
		\$	\$	\$	\$	\$	\$
<b>Financial assets</b>							
Cash and deposits	6	3,408,968	5,010,586	-	-	711,097	9,130,651
Receivables	7	-	-	-	-	134,378	134,378
		<u>3,408,968</u>	<u>5,010,586</u>	<u>-</u>	<u>-</u>	<u>845,475</u>	<u>9,265,029</u>
Weighted average interest rate		1.18%	4.31%				
<b>Financial liabilities</b>							
Payables	14	-	-	-	-	878,077	878,077
Interest bearing liabilities	15,19	-	7,325	-	-	-	7,325
		<u>-</u>	<u>7,325</u>	<u>-</u>	<u>-</u>	<u>878,077</u>	<u>885,402</u>
Weighted average interest rate			3.94%				
Net financial assets (liabilities)		<u>3,408,968</u>	<u>5,003,261</u>	<u>-</u>	<u>-</u>	<u>(32,602)</u>	<u>8,379,627</u>
2022	Notes	Fixed interest maturing in:				Non-Interest Bearing	Total
		Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years		
		\$	\$	\$	\$	\$	\$
<b>Financial assets</b>							
Cash and deposits	6	3,321,913	3,233,153	-	-	443,900	6,998,966
Receivables	7	-	-	-	-	114,978	114,978
		<u>3,321,913</u>	<u>3,233,153</u>	<u>-</u>	<u>-</u>	<u>558,878</u>	<u>7,113,944</u>
Weighted average interest rate		0.01%	0.49%				
<b>Financial liabilities</b>							
Payables	14	-	-	-	-	1,033,042	1,033,042
Interest bearing liabilities	15,19	-	9,186	7,325	-	-	16,511
		<u>-</u>	<u>9,186</u>	<u>7,325</u>	<u>-</u>	<u>1,033,042</u>	<u>1,049,553</u>
Weighted average interest rate			3.94%	3.94%			
Net financial assets (liabilities)		<u>3,321,913</u>	<u>3,223,967</u>	<u>(7,325)</u>	<u>-</u>	<u>(474,164)</u>	<u>6,064,391</u>

### (b) Net fair value of financial assets and liabilities

#### On-balance sheet

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the entity approximates their carrying amounts.

The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

## Note 25. Remuneration of directors

The number of directors whose total income from the Company was within the specified bands are as follows:

\$	\$	2023	2022
0	- 10,000	7	7

**Notes to the Financial Statements**

30 June 2023 (continued)

**Note 26. Reconciliation of profit/(loss) after income tax to net cash inflow (outflow) from operating activities**

	2023	2022
	\$	\$
Operating profit/(loss) after income tax	2,126,895	1,607,314
Depreciation and amortisation	1,427,131	1,400,891
Loss on disposal of property, plant and equipment	5,970	90,548
Change in operating assets and liabilities		
(Increase) Decrease in trade debtors	(19,400)	(54,685)
(Increase) Decrease in prepayments	(21,839)	(113,531)
(Increase) Decrease in inventories	(38,352)	(5,995)
(Increase) Decrease in income tax receivable	7,314	(7,314)
(Increase) Decrease in deferred tax assets	(8,305)	(1,642)
Increase (Decrease) in trade creditors	20,912	201,345
Increase (Decrease) in other operating liabilities	(5,904)	325
Increase (Decrease) in deferred tax liabilities	13,956	39,924
Increase (Decrease) in income tax payable	42,074	-
Increase (Decrease) in other provisions	120,052	17,769
Net cash inflow (outflow) from operating activities	3,670,504	3,174,949

**Note 27. AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors**

The Club has adopted AASB 16 Leases as required under Australian Accounting Standards. The first-time adoption of the policy necessitates that retrospective change is applied in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. Property and equipment leases previously recognised off-balance sheet will be accounted for as a right-of-use (ROU) asset and corresponding lease liability. The retrospective effects on the 2022 financial year due to the implementation of AASB 16 Leases are summarised below:

	Balance at 30 June 2022	Effect of Change	Restated Balance at 30 June 2022
	\$	\$	\$
<b>Income Statement</b>			
Amortisation	-	8,748	8,748
Interest expense	-	838	838
Photocopier expenses	14,262	(9,552)	4,710
Net Profit/(Loss)	1,607,348	(34)	1,607,314
<b>Balance Sheet</b>			
Right-of-use Asset	-	43,738	43,738
Accumulated Amortisation	-	(28,064)	(28,064)
Photocopier Lease – Current	-	9,186	9,186
Photocopier Lease – Non current	-	7,325	7,325
Opening Retained Earnings	23,603,738	(803)	23,602,935
Closing Retained Earnings	25,211,086	(837)	25,210,249

**Note 28. Impact of COVID-19**

Covid-19 and ensuing Government regulations have significantly influenced the Club's operations during the previous financial year. The Club was forced to close on 5 August 2021 due to a new COVID outbreak and reopened 17 September 2021. The closure has had no direct impact on the current year results.

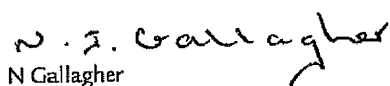
Singleton Returned Servicemen's Club Limited

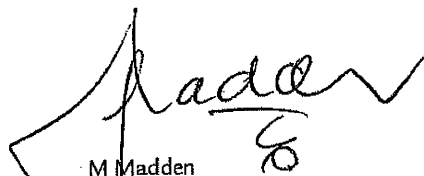
### Directors' Declaration

In accordance with a resolution if the directors of Singleton Returned Servicemen's Club Limited (the Company), the directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 to 21, are in accordance with the Corporations Act 2001 and:
  - (a) comply with Australian Accounting Standards – Simplified Disclosures ; and
  - (b) give a true and fair view of the financial position of the company as at 30 June 2023 and of its performance for the year ended on that date of the entity.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

  
N Gallagher  
Chairman

  
M Madden  
Vice Chairman

Singleton  
28 September 2023

## Independent Audit Report to the Members of Singleton Returned Servicemen's Club Limited

### Report on the Audit of the Financial Report

#### *Opinion*

We have audited the accompanying financial report of Singleton Returned Servicemen's Club Limited (the Company) as set out pages 4 to 22, which comprises the balance sheet as at 30 June 2023, the income statement, statement of changes in equity and cash flow statement for the year then ended, noted comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Singleton Returned Servicemen's 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 year then ended; and
- (ii) complying with Australian Accounting Standards – Simplified Disclosures and the Corporations Regulations 2001.

#### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the 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 Singleton Returned Servicemen's 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 audit 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 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.

## Independent Audit Report to the Members of Singleton Returned Servicemen's Club Limited (continued)

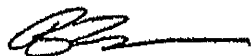
### *Auditor's Responsibilities for the Audit of the Financial Report*

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.



Ben McEwan  
Registered Company Auditor

Newcastle  
28 September 2023

McEwan and Partners Pty Limited  
Chartered Accountants

BUSINESS | AUDIT | TAXATION

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MCEWAN AND PARTNERS PTY LIMITED ABN 59 097 329 274

Liability is limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW)

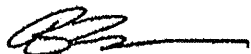


### Auditor's Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Singleton Returned Servicemen's Club Limited for the year ended 30 June 2023.



Ben McEwan  
Registered Company Auditor

Newcastle  
28 September 2023

McEwan and Partners Pty Limited  
Chartered Accountants

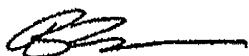
Singleton Returned Servicemen's Club Limited

## **Disclaimer of Opinion on Additional Financial Data of Singleton Returned Servicemen's Club Limited**

The additional financial data on page 27 is in accordance with the books and records of Singleton Returned Servicemen's Club Limited (the Company) which have been subject to the auditing procedures applied in our statutory audit of the Company for the year ended 30 June 2023.

It will be appreciated that our statutory audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given.

In accordance with our firm policy, we advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than the Company) in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.



Ben McEwan  
Registered Company Auditor

Newcastle  
28 September 2023

McEwan and Partners Pty Limited  
Chartered Accountants

## **Operating Statement**

30 June 2023