

Toukley RSL Sub Branch Club Limited

ABN: 61 000 990 269

Financial Statements

For the Year Ended 30 June 2023

Toukley RSL Sub Branch Club Limited

ABN: 61 000 990 269

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For the Year Ended 30 June 2023

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Toukley RSL Sub Branch Club Limited

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Directors' Report 30 June 2023

The directors present their report on Toukley RSL Sub Branch Club Limited for the financial year ended 30 June 2023.

Directors

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

Names	Position	Appointed/Resigned
Steve Chappell	Chairman	
Peter Whybourn	Senior Deputy Chair	
Ken Piper	Junior Deputy Chairman	Resigned 30 October 2022
Ken Baker	Director	
Len Jackson	Junior Deputy Chairman	
Richard Coombe	Director	
Iain Forbes	Director	
Erin Henry	Director	Appointed 30 October 2022

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

Principal activities

The principal activity of Toukley RSL Sub Branch Club Limited during the financial year was the operations of a registered Club in accordance with its objectives and for the benefits of its members.

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

Short term objectives

The Company's short term objectives are to:

- To be a responsible business leader in the local community by:
 - Providing local commerce
 - Maintaining employment of local residents
- Provide the highest standard of facilities to Club members and their Guests
- Provide structure to remain relevant to our members 'and guests' needs into the future; and
- Objectives to be achieved through fiscal management with a balance of consideration to all stake holders.

Long term objectives

The Company's long term objectives are to:

- Pay out all existing non-current debt;
- Implement all components from the updated strategic direction; and

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Directors' Report

30 June 2023

Long term objectives

- The Board of Directors recognise that revenues in traditional Club Gaming and Beverage operations is in a state statewide decline and therefore, we will consider, plan and implement diversification opportunities in order to lessen the reliance on these traditional revenues

Strategy for achieving the objectives

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

- Strict adherence to adopted capital expenditure budgets;
- Suitable consultants are engaged to complete designs and make any required amendments to existing Development Approvals;
- Consolidate the Club's Organisation Chart to afford a Human Resources department to undertake new staff training and performance systems;
- Conduct a thorough analysis of our resources and assets to determine other business opportunities;
- Conduct development of the Club's marketing and loyalty systems to engage customers and increasing membership; and
- Increase profitability and cashflows through the successful implementation of marketing strategies and business modelling.

Information on directors

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

Steve Chappell

Occupation Warehouse (retired)

Qualifications Printer (Trade), Responsible Service of Alcohol and Responsible Conduct of Gaming Certificate. Completion of ClubsNSW Online. Courses in 'Director Foundation' and 'Financial Management'

Experience The Ary - Club Director 7 years, Chairperson 2021 - 2023

Peter Whybourn

Occupation Hospitality, Security Industry, Underground Miner, Sales Manager Bread Industry (retired)

Qualifications Senior First Aid, Customer Relations Certificate, WHS Consultation Certificate, Responsible Service of Alcohol and Responsible Conduct of Gambling Certificate, Completion of ClubsNSW Online Courses in 'Director Foundation' and 'Financial Management'

Experience Owner/Director Private Inquiry Company, Certificate in Personal and Business Development, The Ary - previous employee, WHS Committee 8 years (Chairperson 6 years), Club Director 6 years, Senior Deputy Chairperson 2021 – 2023

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Directors' Report

30 June 2023

Information on directors

Ken Piper

Occupation

Telecom 16 years and Domino Mining 9 years.

Qualifications

WorkCover Authority of NSW, WH&S Certificate, Responsible Service of Alcohol Certificate and Responsible Conduct of Gaming Certificate. Completion of ClubsNSW Online Courses in 'Director Foundation' and 'Financial Management'

Experience

Material Control Officer and Payroll Officer. Stock Control and Quality Assurance Officer. Club Life member, Club Director 23 years, Chairman 2008-2012 and 2013- 2019 and Junior Deputy Chairman 2003-04, 2005-07 and 2022-23

Ken Baker

Occupation

Accountant, General Manager, Managing Director, Board Chairman, Retired, Voluntary Directorships.

Qualifications

Fellow Institute of Public Accountants, Fellow Australian Institute of Company Directors.

Experience

Vickers Xatal, 8 years Company Accountant. Halley & Mellowes Group, 26 years, General Manager, Director, Managing Director, Board Chairman. Australian Coal Preparation Society Ltd, 12 years, Director, Finance Director, Board Chairman. NSW Business Chamber Central Coast, 5 years, President. Currently Lasercraft Australia (NDIS Company) 5 years, Director/Treasurer (Voluntary). The Ary - Club Director 1 year.

Len Jackson

Occupation

30 years' experience in waste management including supervision of operations department, truck driving and union delegate, 18 years self-employed carpet layer.

Qualifications

Accountancy experience

Experience

Director 2 years, Director of Belfield Bowling Club for 3 years, understanding of Constitution, rules and policies of the Club, ability to distinguish between Board and operational matters, familiarity with attending Board and Sub Club committee meetings, ability to maintain confidentiality and ability to communicate with members, staff and management, The Ary - Bowling Club member 12 years and Selections Committee 3 years, Club Director 3 years.

Richard Coombe

Occupation

Financial Planner/Compliance, Company Director, Pharmacist (retired)

Qualifications

Diploma of Pharmacy, Diploma of Financial Planning

Experience

Trusted local Pharmacist shop owner (35 years), Financial Planning and Compliance experience, company Director of financial solutions company and marketing signage company, The Ary - Club Director 1 year.

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Directors' Report

30 June 2023

Information on directors

Iain Forbes

Occupation

Banking and Finance (retired)

Qualifications

Banking and Finance industry

Experience

50 years' experience in the banking and finance industry. Founded home loan company Australian First Mortgage Pty Ltd, established Shadow Office Solutions Pty Ltd employing over 140 staff in Manilla. Chairman of the Executive Council of Owners for North Point, Holmes Avenue Toukley, Committee member for the Executive Council of Owners for Holmesville (Main Rd, Toukley), The Ary - Club Director 1 year.

Erin Henry

Occupation

Legal Practitioner Director

Qualifications

Masters in Applied Law (Wills & Estates), Graduate Diploma in Legal Practice, Diploma in Law, Bachelor in Business (Management & Marketing)

Experience

The Ary Club Director 1 year, Current company Director (Devise Legal P/L)

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

Members' guarantee

Toukley RSL Sub Branch Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 2, subject to the provisions of the company's constitution.

At 30 June 2023 the collective liability of members was \$ 37,786 (2022: \$ 32,566).

Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Toukley RSL Sub Branch Club Limited

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Directors' Report

30 June 2023

Meetings of directors

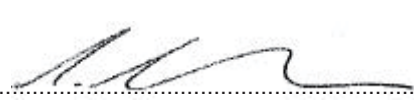
During the financial year, 14 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:


	Directors' Meetings		Special Meeting	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Steve Chappell	11	11	3	3
Peter Whybourn	11	9	3	3
Ken Piper	3	3	-	-
Ken Baker	11	10	3	2
Len Jackson	11	10	3	3
Richard Coombe	11	10	3	2
Iain Forbes	11	8	3	1
Erin Henry	8	7	3	2

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2023 has been received and can be found on page 6 of the financial report.

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

Director: 

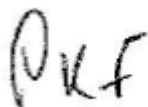
Director: 

Dated 1/9/2023

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Toukley RSL Sub Branch Club Limited

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

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



PKF



KYM REILLY
PARTNER

1 SEPTEMBER 2023
SYDNEY, NSW

Toukley RSL Sub Branch Club Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2023

		2023	2022
	Note	\$	\$
Revenue	4	13,521,277	9,865,581
Changes in inventories		6,396	1,468
Raw materials and consumables used	5	(2,131,503)	(1,291,869)
Employee benefits expense		(4,873,257)	(3,458,430)
Poker machine duty expense		(1,466,682)	(1,045,222)
Depreciation and amortisation expense		(728,895)	(753,188)
Insurance expense		(231,217)	(168,773)
Repairs and maintenance expense		(279,834)	(158,573)
Utilities expense		(230,478)	(195,141)
Security expense		(83,487)	(52,980)
Advertising expense		(65,129)	(54,393)
Cleaning expense		(182,475)	(117,717)
Member and administration expense		(396,000)	(311,815)
Promotional and entertainment expense		(1,029,903)	(656,397)
Other expenses		(921,718)	(635,956)
Finance expenses		(4,657)	(10,004)
Surplus before income tax		902,438	956,591
Income tax expense	6	(68,727)	(18,796)
Surplus for the year		833,711	937,795
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		833,711	937,795

The accompanying notes form part of these financial statements.

Toukley RSL Sub Branch Club Limited

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Statement of Financial Position As At 30 June 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	5,894,997	7,687,548
Trade and other receivables		43,246	81,537
Inventories	8	113,927	107,531
Other financial assets	9	2,000,000	-
Current tax receivable		101,711	50,326
Other assets		223,219	220,429
TOTAL CURRENT ASSETS		<u>8,377,100</u>	<u>8,147,371</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	11,030,711	10,556,313
Deferred tax assets		44,136	46,909
Intangible assets		16,200	16,200
Right-of-use assets	11	171,329	310,988
TOTAL NON-CURRENT ASSETS		<u>11,262,376</u>	<u>10,930,410</u>
TOTAL ASSETS		<u>19,639,476</u>	<u>19,077,781</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	810,245	979,813
Borrowings		(1)	-
Lease liabilities	11	61,200	111,506
Employee benefits	13	503,607	491,793
TOTAL CURRENT LIABILITIES		<u>1,375,051</u>	<u>1,583,112</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities		25,255	28,354
Lease liabilities	11	-	61,199
Employee benefits	13	95,244	94,901
TOTAL NON-CURRENT LIABILITIES		<u>120,499</u>	<u>184,454</u>
TOTAL LIABILITIES		<u>1,495,550</u>	<u>1,767,566</u>
NET ASSETS		<u>18,143,926</u>	<u>17,310,215</u>
EQUITY			
Retained earnings		18,143,926	17,310,215
TOTAL EQUITY		<u>18,143,926</u>	<u>17,310,215</u>

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 30 June 2023

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2022	17,310,215	17,310,215
Surplus for the year	833,711	833,711
Balance at 30 June 2023	18,143,926	18,143,926
Balance at 1 July 2021	16,372,420	16,372,420
Surplus for the year	937,795	937,795
Balance at 30 June 2022	17,310,215	17,310,215

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2023

	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	14,777,295	10,689,278
Payments to suppliers and employees	(13,363,081)	(8,632,232)
Interest received	73,794	17,398
Interest paid	(4,657)	(10,004)
Income taxes paid	(120,438)	(185,392)
Net cash provided by operating activities	<u>1,362,913</u>	<u>1,879,048</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds on sale of investment	30,909	79,690
Purchase of property, plant and equipment	(1,074,868)	(709,359)
Purchase of financial assets	(2,000,000)	-
Net cash used in investing activities	<u>(3,043,959)</u>	<u>(629,669)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of lease liabilities	(111,505)	(151,493)
Net cash used in financing activities	<u>(111,505)</u>	<u>(151,493)</u>
Net increase/(decrease) in cash and cash equivalents held	(1,792,551)	1,097,886
Cash and cash equivalents at beginning of year	<u>7,687,548</u>	<u>6,589,662</u>
Cash and cash equivalents at end of financial year	7 <u><u>5,894,997</u></u>	<u><u>7,687,548</u></u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements For the Year Ended 30 June 2023

The financial report covers Toukley RSL Sub Branch Club Limited as an individual entity. Toukley RSL Sub Branch Club Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The principal activities of the Company for the year ended 30 June 2023 was the operation of a registered club for the benefit of its members.

The functional and presentation currency of Toukley RSL Sub Branch Club Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*.

The financial statements 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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that 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 Company expects to receive in exchange for those goods or services.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Sale of goods

Revenue is recognised in the statement of comprehensive income when the goods are provided to members and other patrons of the Club.

Gaming revenue

Gaming revenue is recognised in the statement of comprehensive income when the services are provided to members and other patrons of the Club.

Toukley RSL Sub Branch Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Specific revenue streams

Raffle income

Raffle income is recognised in the statement of comprehensive income when the services are provided to members and other patrons of the Club

Interest income

Interest is recognised using the effective interest method.

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

(b) Income tax

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

The tax expense recognised in the statement of profit or loss and other comprehensive income relates to current income tax expense plus deferred tax expense (being the movement in deferred tax assets and liabilities and unused tax losses during the year).

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

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

(c) 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 payable are stated inclusive of GST.

Toukley RSL Sub Branch Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(c) Goods and services tax (GST)

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.

(d) Volunteer services

No amounts are included in the financial statements for services donated by volunteers.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value.

(f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis 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%
Plant and equipment	5 - 40%
Computer software	25 - 33.33%

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.

(g) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Toukley RSL Sub Branch Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(g) Financial instruments

Financial assets

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

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

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through profit and loss or other comprehensive income

The Club does not hold any assets at fair value through profit and loss or other comprehensive income.

Impairment of financial assets

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(g) Financial instruments

Financial assets

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank loans and lease liabilities.

(h) 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.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(i) 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.

(j) Leases

Lessee accounting

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(k) Employee benefits

Provision is made for the Company's liability for employee benefits, those 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.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. 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 bond rates incorporating bonds, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Toukley RSL Sub Branch Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2023

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Long service leave provision

As described in the accounting policies, the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Estimation of useful lives

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

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Notes to the Financial Statements For the Year Ended 30 June 2023

4 Revenue

	2023	2022
	\$	\$
Revenue recognised on receipt		
- Sale of goods - Bar services	2,146,824	1,367,610
- Sale of goods - Catering services	2,801,891	1,633,539
- Sale of goods - Bottle shop	186,238	115,392
- Gaming revenue	7,229,001	5,415,366
- Other revenue	746,992	505,691
- Profit from sale of non-current assets	19,574	12,703
- Raffle income	315,828	342,456
- Government subsidy (COVID)	1,135	455,426
- Interest received	73,794	17,398
	<u>13,521,277</u>	<u>9,865,581</u>

5 Result for the Year

	2023	2022
	\$	\$
Cost of sales		
- Cost of sales - Bar services	787,445	519,993
- Cost of sales - Catering operations	1,066,499	594,852
- Cost of sales - Bottle shop	147,422	90,762
- Cost of sales - Other	123,741	84,794
- Changes in inventories	6,396	1,468
	<u>2,131,503</u>	<u>1,291,869</u>

Toukley RSL Sub Branch Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2023

6 Income Tax Expense

(a) The major components of tax expense (income) comprise:

	2023	2022
	\$	\$
Current tax expense	69,053	38,361
Deferred tax expense	(326)	(19,565)
	<u>68,727</u>	<u>18,796</u>

(b) Reconciliation of income tax to accounting profit:

	2023	2022
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2022: 25%)	225,610	239,148
Tax effect of:		
- non-taxable member income arising from principle of mutuality	(156,882)	(220,352)
Income tax expense	<u>68,728</u>	<u>18,796</u>

7 Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash on hand	785,229	934,832
Bank balances	5,078,912	6,725,920
Other cash and cash equivalents	30,856	26,796
	<u>5,894,997</u>	<u>7,687,548</u>

8 Inventories

	2023	2022
	\$	\$
CURRENT		
At cost:		
Stock on hand - Catering	19,720	17,810
Stock on hand - Bar	71,396	75,612
Stock on hand - Promotions	14,599	8,103
Stock on hand - Bottle shop	8,212	6,006
	<u>113,927</u>	<u>107,531</u>

Toukley RSL Sub Branch Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2023

9 Other Financial Assets

	2023	2022
	\$	\$
CURRENT		
Amortised cost		
- Term deposit	<u>2,000,000</u>	-

10 Property, Plant and Equipment

	2023	2022
	\$	\$
Freehold land		
At cost	<u>3,720,446</u>	3,720,446
Buildings		
At cost	8,302,886	8,113,687
Accumulated depreciation	<u>(2,545,759)</u>	(2,310,898)
Total buildings	<u>5,757,127</u>	5,802,789
Capital works in progress		
At cost	<u>273,813</u>	52,023
Plant and equipment		
At cost	8,575,235	7,864,395
Accumulated depreciation	<u>(7,295,910)</u>	(6,883,340)
Total plant and equipment	<u>1,279,325</u>	981,055
Computer software		
At cost	25,380	25,380
Accumulated depreciation	<u>(25,380)</u>	(25,380)
Total computer software	<u>-</u>	-
	<u><u>11,030,711</u></u>	<u>10,556,313</u>

Toukley RSL Sub Branch Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2023

10 Property, Plant and Equipment

(a) Movements in carrying amounts

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

	Capital Works in Progress	Land	Buildings	Plant and Equipment	Total
	\$	\$	\$	\$	\$
Opening balance	52,023	3,720,446	5,802,789	981,055	10,556,313
Additions	221,790	-	-	853,078	1,074,868
Disposals	-	-	-	(11,335)	(11,335)
Transfer - Right of use	-	-	-	40,233	40,233
Transfer	-	-	189,200	(189,200)	-
Depreciation	-	-	(234,862)	(394,506)	(629,368)
Closing balance	273,813	3,720,446	5,757,127	1,279,325	11,030,711

11 Leases

The Club leases equipment with lease terms varying from 3 to 5 years. The lease payments are fixed during the lease term.

Right-of-use assets

	Plant and equipment	Total
	\$	\$
Opening balance	310,988	310,988
Depreciation charge	(99,426)	(99,426)
Transfer to property, plant and equipment	(40,233)	(40,233)
	171,329	171,329

Lease liabilities

	2023	2022
	\$	\$
Opening balance	172,705	324,198
Lease payments	(116,161)	(161,497)
Interest	4,656	10,004
	61,200	172,705
Current liability	61,200	111,506
Non-current liabilities	-	61,199
	61,200	172,705

Toukley RSL Sub Branch Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2023

11 Leases

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to interest expense on lease liabilities and short-term leases or leases of low value assets are shown below:

	2023	2022
	\$	\$
Interest expense on lease liabilities	2,678	4,245
Expenses relating to leases of low-value assets	34,871	16,128
	<u>37,549</u>	<u>20,373</u>

12 Trade and Other Payables

	2023	2022
	\$	\$
CURRENT		
Trade payables	475,044	722,776
Sundry payables and accrued expenses	210,505	134,992
Gaming tax payable	124,696	122,045
	<u>810,245</u>	<u>979,813</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

13 Employee Benefits

	2023	2022
	\$	\$
Current liabilities		
Long service leave	187,455	209,208
Provision for employee benefits	316,152	282,585
	<u>503,607</u>	<u>491,793</u>
Non-current liabilities		
Long service leave	<u>95,244</u>	<u>94,901</u>

Toukley RSL Sub Branch Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2023

14 Financial Risk Management

	2023	2022
	\$	\$
Financial assets		
Held at amortised cost		
Cash and cash equivalents	5,894,997	7,687,548
Trade and other receivables	43,246	81,537
Term deposit	2,000,000	-
Total financial assets	7,938,243	7,769,085
Financial liabilities		
Financial liabilities measured at amortised cost	810,244	979,813

15 Members' Guarantee

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 \$ 2 each towards meeting any outstanding obligations of the Company. At 30 June 2023 the number of members was 18,893 (2022: 16,283).

16 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Company is \$ 268,205 (2022: \$ 248,177).

17 Auditors' Remuneration

	2023	2022
	\$	\$
Remuneration of the auditor PKF, for:		
- auditing the financial statements	25,150	23,400
- tax compliance services	5,600	5,000
	30,750	28,400

18 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2023 (30 June 2022: None).

19 Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Toukley RSL Sub Branch Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2023

20 Events After the End of the Reporting Period

The financial report was authorised for issue on 28 August 2023 by the Board of Directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

21 Statutory Information

The registered office and principal place of business of the company is:

Toukley RSL Sub Branch Club Limited
35 - 47 Holmes Avenue
Toukley NSW 2263

Toukley RSL Sub Branch Club Limited


ABN: 61 000 990 269


Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 24, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosure Standard; and
 - b. give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Company.
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.

Director 

Director 

Dated 1/9/2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOUKLEY RSL SUB BRANCH CLUB LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Toukley RSL Sub Branch Club Limited (the Club), 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, the accompanying financial report of Toukley RSL Sub Branch Club Limited, is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the Club's financial position as at 30 June 2023, and of its financial performance for the year then ended; and
- b. Complying with the Australian Accounting Standards – Simplified Disclosure Requirements and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Club in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

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 Management and the Directors for the Financial Report

The directors of the Club are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosure Requirements 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 Club'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 Club or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

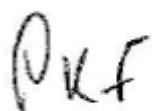
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Club'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 Club 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.

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

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.

We also provide the management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



PKF



KYM REILLY
PARTNER

1 SEPTEMBER 2023
SYDNEY, NSW