

Quirindi R.S.L. Sub Branch Club

ABN: 95 000 856 388

Financial Statements

For the Year Ended 30 June 2023

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For the Year Ended 30 June 2023

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Directors' Report For the Year Ended 30 June 2023

The directors present their report on Quirindi R.S.L. Sub Branch Club for the financial year ended 30 June 2023.

General information

Information on directors

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

Colin Stewart	President - Resigned 11th December 2022
Qualifications	Chartered Accountant
Experience	Company Director
Luke Scanlon	Vice President, President from 11th December 2022
Qualifications	Real Estate Principal
Experience	Business Owner
Timothy Hoswell	Vice President
Qualifications	Builder
Experience	Business owner
Gordan Brownhill	Vice President
Qualifications	Partner of Merrilong Pastoral Company
Experience	Various Committee Positions
Paul Maher	Treasurer
Qualifications	Spare Parts Interpreter
Experience	Board Experience Deceased 22nd May 2023
Raymond McGuckin	Director
Qualifications	Family Owned and Operated Business
Experience	Board Experience
Robert Bradley	Director
Qualifications	Retired
Experience	Previous Board Experience
Eli Jamieson	Director
Qualifications	Train Driver
Experience	Board Experience
Wendy McCulloch	Director - Appointed 11th December 2022
Experience	Various Committee Positions
Annette Wallis	Director - Appointed 11th December 2022
Qualifications	Business Owner
Experience	Board Experience

Directors' Report

For the Year Ended 30 June 2023

General information

Information on directors

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 Quirindi R.S.L. Sub Branch Club during the financial year was the operation of a Registered Club. The principal objective of the Club is to provide members with amenities within the combined entity.

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:

- provide services to members commensurate with industry needs and regulatory requirements.
- meet financial viability and accountability requirements.
- provide workplaces that are compliant with industry standards and the Fair Work Act.
- continue to improve the members facilities including refurbishment of the Clubs buildings in line with the Clubs business plan.

Long term objectives

The Company's long term objectives are to:

- Develop a more diverse income stream to enable the Club to continue to provide benefits to its members.
- continue to be financially secure.
- grow the Club operations in accordance with members interests.
- Ensure the Board and Management have the resources and capability to deliver goals and there is a common agreement on the benefits to the Club objectives.

Strategy for achieving the objectives

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

- Ensure the Board and Management have the resources and capability to deliver goals and there is a common agreement on the benefits to the Club objectives.

How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by:

- providing the resources to enable the objectives to be realised.

Directors' Report

For the Year Ended 30 June 2023

General information

Performance measures

The following measures are used within the Company to monitor performance:

- Member satisfaction
- Gross profit margins
- Profitability
- Staffing levels
- Inventory levels

Members' guarantee

Quirindi R.S.L. Sub Branch Club 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 \$20 for members, subject to the provisions of the company's constitution.

At 30 June 2023 the collective liability of members was \$36,940 (2022: \$ 35,760).

Operating results

The profit of the Company after providing for income tax amounted to \$370,689 (2022: \$ 363,212).

Company secretary

Tina Allan Club Secretary Manager is company secretary from 20th June 2019 to the date of signing these financial statements.

Meetings of directors

During the financial year, 10 meetings of directors were held. Attendances by each director during the year were as follows:

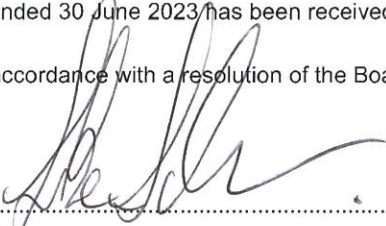
	Directors' Meetings	
	Number eligible to attend	Number attended
Colin Stewart	4	4
Luke Scanlon	10	10
Timothy Hoswell	10	6
Gordan Brownhill	10	9
Paul Maher	8	8
Raymond McGuckin	10	3
Robert Bradley	10	9
Eli Jamieson	10	2
Wendy McCulloch	6	6
Annette Wallis	6	6

Directors' Report
For the Year Ended 30 June 2023

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 5 of the financial report.

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

Director: 
Luke Scanlon

Director: 
Gordon Brownhill

Dated this 1st day of November 2023





Quirindi R.S.L. Sub Branch Club

ABN: 95 000 856 388

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 To the Directors of Quirindi R.S.L Sub Branch Club

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.

A handwritten signature in blue ink, appearing to read "Margaret van Aanholt".

Margaret van Aanholt

Director

PKF NENW Audit & Assurance Pty Limited

Dated this 1st day of November 2023

22-24 Bourke Street, Tamworth NSW

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

		2023	2022
	Note	\$	\$
Revenue and other income	4	4,055,765	3,328,550
Gain on sale of fixed assets	4	19,425	5,365
Finance Income	5	720	753
Cost of goods sold		(633,714)	(457,488)
Employee benefits expense	6	(1,020,193)	(911,841)
Depreciation and amortisation expense		(315,202)	(257,503)
Other operating expenses	6	(1,736,113)	(1,341,582)
Finance costs	5	-	(3,043)
Profit before income tax		370,689	363,212
Income tax expense	7	-	-
Profit for the year		370,689	363,212
Other comprehensive income, net of income tax			
Fair value movements on investments held at fair value		1,079	(644)
Other comprehensive income for the year, net of tax		1,079	(644)
Total comprehensive income for the year		371,768	362,568

Quirindi R.S.L. Sub Branch Club

ABN: 95 000 856 388

Statement of Financial Position**As At 30 June 2023**

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	1,080,703	543,040
Trade and other receivables	9	13,866	17,910
Inventories	10	78,632	81,651
Other assets	12	70,687	56,863
TOTAL CURRENT ASSETS		<u>1,243,888</u>	<u>699,464</u>
NON-CURRENT ASSETS			
Trade and other receivables	9	5,000	5,000
Other financial assets	11	4,589	3,510
Property, plant and equipment	13	5,460,522	5,495,370
Investment property	14	22,732	24,728
Intangible assets	15	86,800	108,500
TOTAL NON-CURRENT ASSETS		<u>5,579,643</u>	<u>5,637,108</u>
TOTAL ASSETS		<u><u>6,823,531</u></u>	<u><u>6,336,572</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	16	234,238	145,282
Employee benefits	18	104,440	83,300
TOTAL CURRENT LIABILITIES		<u>338,679</u>	<u>228,582</u>
NON-CURRENT LIABILITIES			
Employee benefits	18	11,453	6,359
TOTAL NON-CURRENT LIABILITIES		<u>11,453</u>	<u>6,359</u>
TOTAL LIABILITIES		<u>350,132</u>	<u>234,941</u>
NET ASSETS		<u><u>6,473,399</u></u>	<u><u>6,101,631</u></u>
EQUITY			
Investment revaluation reserve	19	4,589	3,510
Retained earnings		6,468,810	6,098,121
TOTAL EQUITY		<u><u>6,473,399</u></u>	<u><u>6,101,631</u></u>

The accompanying notes form part of these financial statements.

Quirindi R.S.L. Sub Branch Club

ABN: 95 000 856 388

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

	Retained Earnings	Investment Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2022	6,098,121	3,510	6,101,631
Profit attributable to members of the entity	370,689	-	370,689
Movement in fair value of equity instruments	-	1,079	1,079
Balance at 30 June 2023	6,468,810	4,589	6,473,399

2022

	Retained Earnings	Investment Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2021	5,734,909	4,154	5,739,063
Profit attributable to members of the entity	363,212	-	363,212
Movement in fair value of equity instruments	-	(644)	(644)
Balance at 30 June 2022	6,098,121	3,510	6,101,631

The accompanying notes form part of these financial statements.

Quirindi R.S.L. Sub Branch Club

ABN: 95 000 856 388

Statement of Cash Flows
For the Year Ended 30 June 2023

	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	4,425,181	3,621,291
Payments to suppliers and employees	(3,651,006)	(3,040,950)
Interest and dividends received	720	753
Finance costs	-	(3,043)
Net cash provided by/(used in) operating activities	774,895	578,051
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	25,000	5,203
Purchase of property, plant and equipment	(262,232)	(194,575)
Net cash provided by/(used in) investing activities	(237,232)	(189,372)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	-	(302,385)
Net cash provided by/(used in) financing activities	-	(302,385)
Net increase/(decrease) in cash and cash equivalents held	537,663	86,294
Cash and cash equivalents at beginning of year	543,040	456,746
Cash and cash equivalents at end of financial year	8 1,080,703	543,040

The accompanying notes form part of these financial statements.

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

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

A description of the nature of the Company's operations and its principal activities are included in the Directors' Report, which is not part of the financial statements.

The financial report was authorised for issue by the Directors on 1st November 2023.

The functional and presentation currency of Quirindi R.S.L. Sub Branch Club is Australian dollars.

Comparatives are consistent with prior year with the exception of the following that has been reclassified to conform with current year presentation:

- a portion of current financial assets has been reclassified to cash and cash equivalents. The total amount reclassified in the prior year comparatives is \$78,378.
- provisions have been reclassified to trade and other payables. The total amount reclassified in the prior year comparatives is \$42,082.

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*.

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.

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

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

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.

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

2 Summary of Significant Accounting Policies

(a) Revenue and other income

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

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered.

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

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

Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Membership Income

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

(b) Income Tax

Due to the principle of mutuality, the Club's liability for income tax relates only to net revenue from no-members and income from outside investments, less a proportion of expenditure attributable to both members and non-members.

(c) 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.

(d) Inventories

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

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

2 Summary of Significant Accounting Policies

(e) 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 combination of reducing balance basis & prime cost over the assets 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% prime cost
Plant & Equipment - RSL Club	4.5% - 30% D.V.
Plant & Equipment - Golf Club	5% - 25% D.V.
Plant & Equipment - Motel	5% - 50% D.V.

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.

(f) 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.

Classification

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

- amortised cost
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

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.

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

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

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 other comprehensive income

Equity instruments

The Company has one investment in a listed entity over which they do not have significant influence nor control. The Company has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

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.

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 and other payables and bank loans.

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

2 Summary of Significant Accounting Policies

(g) Intangible assets

Poker machine licenses

Poker machine licenses are recognised at cost of acquisition, they have a finite life and are carried at cost less accumulated amortisation and any impairment losses. Poker machine licenses are amortised over their useful life of 5 years.

(h) Employee benefits

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

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 the G100 discount rates specifically developed for the purpose of discounting employee benefits under AASB 119. Changes in the measurement of the liability are recognised in profit or loss.

(i) 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.

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.

3 Critical accounting judgements, estimates and assumptions

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

Estimation of useful lives of assets

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

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

3 Critical accounting judgements, estimates and assumptions

Employee benefits provision

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

4 Revenue and Other Income

	2023 \$	2022 \$
Revenue from contracts with customers		
Bar and catering sales	1,070,755	789,628
Poker machine takings	2,073,579	1,508,342
Member subscriptions	53,468	45,893
Golf club fees and charges	73,401	82,497
- Motel revenue	593,822	551,522
- Commissions	136,939	116,270
	4,001,964	3,094,152
Other income		
GST rebate	-	17,180
Sundry income	53,801	114,488
Insurance Recoveries	-	102,730
	53,801	234,398
Total	4,055,765	3,328,550

	2023 \$	2022 \$
Other Income		
Gain on disposal of assets	19,425	5,365

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated into the following categories:

	2023 \$	2022 \$
Major product lines		
- Bar Sales	1,070,755	789,628
- Poker Machine Revenue	2,073,579	1,508,342
- Accommodation	593,822	551,522
- KENO & TAB Commissions	136,939	116,270
- Other	126,869	128,390
	4,001,964	3,094,152

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

4 Revenue and Other Income

Disaggregation of revenue from contracts with customers

	2023	2022
	\$	\$
Timing of revenue recognition		
- Goods transferred at a point in time	1,070,755	789,628
- Services rendered over time	2,931,209	2,304,524
	<u>4,001,964</u>	<u>3,094,152</u>
Geographic locations		
- NSW	<u>4,001,964</u>	<u>3,094,152</u>

5 Finance Income and Expenses

Finance income

	2023	2022
	\$	\$
Interest income - assets measured at amortised cost	658	8
Dividend income	62	745
Total finance income	<u>720</u>	<u>753</u>

Finance expenses

	2023	2022
	\$	\$
Interest on bank overdrafts and loans	-	3,043

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

6 Expenses

The result for the year includes the following specific expenses:

	2023	2022
	\$	\$
Employee benefits expense		
Wages and salaries	875,451	802,812
Superannuation contributions	92,851	77,997
Workers Compensation	23,616	19,606
Leave entitlements	26,234	7,294
Other expenses	2,041	4,132
	1,020,193	911,841
Other operating expenses		
Advertising	32,101	18,321
Bad debts	1,200	-
Club grants expenditure	34,875	15,487
Computer expenses	37,544	19,399
Electricity and water	169,668	105,657
Entertainment and catering	38,566	26,215
Insurance	102,206	86,847
Land rates	45,899	42,941
Members Discounts, Amenities & Promotions	341,410	212,851
Motel Best Western Fees	55,603	41,664
Motel Linen Service	39,312	32,517
Poker Machine Duty Tax	302,238	178,218
Repairs and maintenance	179,773	251,921
Subcontractors	63,845	41,498
Telephone expenses	20,457	26,549
Other operating costs	263,666	241,497
	1,728,363	1,341,582

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

7 Income Tax Expense

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%)	92,672	90,803
Add:		
Tax effect of:		
- non-deductible expenses	78,800	64,375
	171,472	155,178
Less:		
Tax effect of:		
- deduction for decline in value of depreciating assets	(64,198)	(40,962)
- Carried forward losses utilized	(46,176)	(40,714)
- non-taxable member income arising from principle of mutuality	(61,098)	(73,502)
Income tax expense	-	-

8 Cash and cash equivalents

	2023	2022
	\$	\$
Cash on hand	122,800	106,452
Cash at bank	957,903	436,588
	1,080,703	543,040

9 Trade and other receivables

	2023	2022
	\$	\$
CURRENT		
Trade receivables	13,838	9,881
GST receivable	28	3,271
Other receivables	-	4,758
	13,866	17,910
NON-CURRENT		
Bonds receivable	5,000	5,000
	5,000	5,000

Notes to the Financial Statements

For the Year Ended 30 June 2023

10 Inventories

	2023	2022
	\$	\$
CURRENT		
At cost:		
Stock on hand - bar	56,848	52,663
Non bar	21,784	28,988
	<u>78,632</u>	<u>81,651</u>

Write downs of inventories to net realisable value during the year were \$NIL (2022: \$NIL).

11 Other financial assets

NON-CURRENT

At fair value

shares in listed entities - fair value

<u>4,589</u>	<u>3,510</u>
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Fair value measurement

The shares are listed on the Australian Securities Exchange and the quoted price at the end of the reporting date is used to value the instruments.

12 Other non-financial assets

	2023	2022
	\$	\$
CURRENT		
Prepayments	<u>70,687</u>	<u>56,863</u>

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

13 Property, plant and equipment

	2023 \$	2022 \$
LAND AND BUILDINGS		
Capital works in progress		
At cost	<u>469,008</u>	463,571
Land and Buildings		
At cost	6,079,013	6,079,013
Accumulated depreciation	<u>(2,010,172)</u>	<u>(1,876,083)</u>
Total	<u>4,068,841</u>	4,202,930
Total land and buildings	<u>4,537,849</u>	4,666,501
PLANT AND EQUIPMENT		
Plant and equipment - R.S.L Club		
At cost	3,073,732	2,904,559
Accumulated depreciation	<u>(2,293,397)</u>	<u>(2,218,788)</u>
Total plant and equipment - R.S.L Club	<u>780,335</u>	685,771
Plant and Equipment - Golf Club		
At cost	184,270	175,370
Accumulated depreciation	<u>(108,949)</u>	<u>(103,538)</u>
Total Plant and Equipment - Golf Club	<u>75,321</u>	71,832
Plant and equipment - Motel		
At cost	262,500	255,600
Accumulated depreciation	<u>(195,483)</u>	<u>(184,334)</u>
Total plant and equipment - Motel	<u>67,017</u>	71,266
Total plant and equipment	<u>922,673</u>	828,869
Total property, plant and equipment	<u><u>5,460,522</u></u>	<u>5,495,370</u>

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

13 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 & Equipment - RSL Club \$	Plant and Equipment - Golf Club \$
Year ended 30 June 2023				
Balance at the beginning of year	463,571	4,202,930	685,771	71,832
Additions	5,437	-	240,995	8,900
Disposals	-	-	(5,575)	-
Depreciation expense	-	(134,089)	(140,856)	(5,411)
Balance at the end of the year	469,008	4,068,841	780,335	75,321

	Plant and Equipment - Motel \$	Total \$
Year ended 30 June 2023		
Balance at the beginning of year	71,266	5,495,370
Additions	6,900	262,232
Disposals	-	(5,575)
Depreciation expense	(11,149)	(291,505)
Balance at the end of the year	67,017	5,460,522

Quirindi R.S.L. Sub Branch

The Directors have resolved that all land & Buildings owned by Quirindi R.S.L. Sub-Branch Club is classified as Core Property with the exception of 4 Abbott Street, Quirindi, which is classified as Non-Core Property for the purposes of Section 41J of the Registered Clubs Act.

Quirindi Golf Club

The buildings owned by Quirindi R.S.L. Sub Branch Club located at the Quirindi Golf Club are classified as Core Property.

14 Investment Property

	2023 \$	2022 \$
Owned Property		
House - Abbot Street Quirindi (at cost)	79,860	79,860
Accumulated Depreciation	(57,128)	(55,132)
	22,732	24,728

The Company measures the investment property at cost, depreciated at 2.5% on a straight line basis.

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

14 Investment Property

	2023	2022
	\$	\$
At cost value		
Owned Property		
Balance at beginning of the period	24,728	25,362
Depreciation	(1,996)	(634)
Balance at end of the period	22,732	24,728

The Investment property is currently vacant, with the intention to be tenanted in the 2024 financial year. There was no rental income received in the year ended 30 June 2023.

15 Intangible Assets

	2023	2022
	\$	\$
Poker Machine Licenses		
Cost	108,500	108,500
Accumulated amortisation and impairment	(21,700)	-
Total Intangible assets	86,800	108,500

Movements in carrying amounts of intangible assets

	Licenses	Total
	\$	\$
Year ended 30 June 2023		
Balance at the beginning of the year	108,500	108,500
Amortisation	(21,700)	(21,700)
Closing value at 30 June 2023	86,800	86,800

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

16 Trade and other payables

	2023	2022
	\$	\$
CURRENT		
Trade payables	48,644	41,047
Sundry payables and accrued expenses	123,060	80,955
PAYGW payable	26,051	14,879
Superannuation payable	12,040	45
GST payable	24,443	8,356
	<u>234,238</u>	<u>145,282</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.

17 Borrowings

Summary of borrowings

A better business loan is held with the Commonwealth Bank of Australia. There were no drawdowns of the loan at 30 June 2023 or 30 June 2022.

During the current and prior year, there were no defaults or breaches on the loan.

Mortgages, charges and securities

The Commonwealth Bank of Australia holds security as registered first mortgage over the club's land and buildings located at 88 Station Street & 132-134 Railway Street, Quirindi, and a general security by way of first ranking charge over all present and after acquired property.

18 Employee Benefits

	2023	2022
	\$	\$
CURRENT		
Long service leave	17,001	13,706
Provision for annual leave	87,439	69,594
	<u>104,440</u>	<u>83,300</u>
NON-CURRENT		
Long service leave	11,453	6,359
	<u>11,453</u>	<u>6,359</u>

19 Reserves

Investment Revaluation Reserve

The investment revaluation reserve records fair value movements in equity instruments held at fair value through OCI.

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

20 Financial Risk Management

	2023 \$	2022 \$
Financial assets		
Held at amortised cost		
Cash and cash equivalents	1,080,703	543,040
Trade and other receivables	18,866	22,910
Fair value through Other Comprehensive Income (OCI) shares in listed entity	4,589	3,510
Total financial assets	1,104,158	569,460
Financial liabilities		
Financial liabilities measured at amortised cost	234,238	145,282
Total financial liabilities	234,238	145,282

21 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 \$20 each towards meeting any outstanding obligations of the Company. At 30 June 2023 the number of members was 1,847 (2022: 1,788).

22 Commitments

	2023 \$	2022 \$
Short-term and low-value leases:		
- not later than one year	2,768	2,768
- between one year and five years	5,725	8,493
	8,493	11,261

The company has a 60 month rental agreement with Fiji Xerox Finance for a photocopier and the minimum monthly payment is \$189.00. This rental agreement is due to cease in 2027 and has been determined as a low value lease. The company also has a low value lease for use of the golf club premises, expiring in September 2026.

Capital works commitment

On the 18th of July 2023, the company signed a construction contract with a related party for a new outdoor deck at the club. The date of commencement of the works is 27 July 2023, with an estimated contract price of \$530,675.

The club paid an initial deposit for the works on 31 July 2023 of \$53,611, with remaining commitment of \$477,064 expected to be settled in the 2024 financial year.

There were no other capital commitments for expenditure at 30 June 2023.

23 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2023 (30 June 2022: Nil).

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

24 Key Management Personnel

One key management personnel exists but non compliance with AASB 124 has been chosen as not to breach confidentiality of the Club.

25 Auditors' Remuneration

	2023 \$	2022 \$
Remuneration of the auditor PKF NENW Audit and Assurance Pty Ltd:		
auditing and assistance with preparation of the financial statements	15,500	13,500
additional time assisting with various reconciliations	-	1,200
Total	15,500	14,700

26 Related Parties

(a) The Company's main related parties are as follows:

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

For details of remuneration disclosures relating to key management personnel - refer to Note 24.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with 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.

The Club has engaged a related party to undertake construction works at the Club. No payments under the contract were incurred during the year, however the construction contract was signed and committed post year end, refer to note 22. The construction company is a related entity of The Club vice president Tim Hoswell. The construction firm is 'Hoswell Constructions'.

The following transactions occurred during the year with related parties:

	Purchases \$
KMP related entities	
2023	10,660
2022	119,828

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

(c) Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

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

27 Events Occurring After the Reporting Date

The financial report was authorised for issue on 1st November 2023 by the board of directors.

As disclosed in note 22, the club has committed to construction expenditure post 30 June 2023 for capital works at the Club. The Club has incurred expenditure under the facility of \$53,611 post year end.

In order to fund the capital works, the club has entered into a banking facility arrangement with a facility limit of \$2.5 million, over a term of 10 years and 3 months, at an interest rate of 6.63% per annum.

The constructions contractor is a related party of the Club, refer to note 26 for further information.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

28 Company Details

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

Quirindi R.S.L. Sub Branch Club
86 - 88 Station Street
Quirindi NSW 2343

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 26, 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
Luke Scanlon

Director
Gordon Brownhill

Dated this 1st day of November 2023



Quirindi R.S.L. Sub Branch Club

ABN: 95 000 856 388

Independent Auditor's Report to the Directors of Quirindi R.S.L. Sub Branch Club

Report on the Audit of the Financial Report

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

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report of the Company 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 ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for Qualified Opinion

As it is common for organisations of this type, it is not practicable for the Club to maintain an effective system of internal control over some revenue activities such as raffles and bingo income until their initial entry in the account records. Accordingly, our audit in relation to the above was limited to the amounts recorded.

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 (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.

Independence

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, 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 qualified opinion.

Emphasis of Matter - Key Management Personnel Disclosures

We draw attention to note 24 to the financial statements which describes the 'Key Management Personnel Disclosures'. One key management personnel exists but non-compliance with the Australian Accounting Standard (AASB) 124 Related Party Disclosures has been chosen as not to breach the Company's confidentiality. Our opinion is not qualified in respect of this matter.

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Registered Auditor 306435

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Quirindi R.S.L. Sub Branch Club

ABN: 95 000 856 388

Independent Auditor's Report to the Directors of Quirindi R.S.L. Sub Branch Club

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.

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Quirindi R.S.L. Sub Branch Club

ABN: 95 000 856 388

Independent Auditor's Report to the Directors of Quirindi R.S.L. Sub Branch Club

- 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 Association'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 Association 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.

PKF NENW Audit & Assurance Pty Ltd

A handwritten signature in blue ink, appearing to read "M van Aanholt", is written over a light blue horizontal line.

Margaret van Aanholt

22-24 Bourke Street, Tamworth NSW

Dated this 8th day of November 2023

PKF NENW Audit & Assurance Pty Ltd
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