
Woonona Bulli RSL Memorial Club Limited

ACN 001 059 374

**Annual Financial Report
31 December 2022**

Woonona Bulli RSL Memorial Club Limited

Directors' Report

The directors present their report together with the financial statements of Woonona Bulli RSL Memorial Club Limited (the company) for the year ended 31 December 2022.

Directors

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

Name	Occupation	Years of Service
Catherine Filan	Retired School Teacher	20
Thora D. Geloven	Company Director	22
Rolf Dern	Retired Builder	17
Peter Harris	Engineer	14
Garry May	Retired School Teacher	11
Robert Trevenar	Retired School Teacher	10
Geoff Smith	Electrical Co-ordinator	7

Directors' meetings

The number of meetings of the company's Board of Directors (the Board) held during the year ended 31 December 2022, and the number of meetings attended by each director were:

Director	Number of Meetings Attended	Number of Meetings Held *
Catherine Filan	12	12
Thora D. Geloven	11	12
Rolf Dern	12	12
Peter Harris	12	12
Garry May	11	12
Robert Trevenar	11	12
Geoff Smith	10	12

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

Membership

The company is a company limited by guarantee and is without share capital. The number of members as at 31 December 2022 is as follows:

	2022	2021
Ordinary	12,548	12,034
Life	10	10
	<hr/>	<hr/>
	12,558	12,044
	<hr/> <hr/>	<hr/> <hr/>

Members' limited liability

In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$10 per member in the event of the winding up of the company during the time that he is a member or within one year thereafter. The total liability in the event of winding up is \$125,558 (2021: \$120,440).

Woonona Bulli RSL Memorial Club Limited

Directors' Report

Operating result

The Club recorded a profit before tax of \$6,762,636 for the year compared with loss of \$38,850 for the prior year. The Club's results were impacted by the disposal of an asset held for sale during the current year and was significantly impacted by the forced closures associated with COVID-19 in the prior year.

Objectives

Short term

The Club's objective as per the Club's Constitution is to provide a social Club with the usual facilities of a Club.

The Club is striving to be a destination of choice for the members and to provide a modern up to date Club that is integral to and in partnership with the Community, have a strong service ethos and seeking to continuously improve the club's services, facilities and amenities for all to enjoy, ensuring there is a safe and friendly environment that is also family focused. In addition, the Club is also working towards being an employer of choice, by having key strategies in developing our team.

Long term

To become the destination of choice and employer of choice within the northern Illawarra region, to improve our Club's services, facilities and amenities for all to enjoy, building upon strategies over the short and medium term to strengthen the Club's financial position by retiring debt, whilst maintaining a controlled development of the core business. It is further to ensure the company's pursuit of its vision can be achieved via existing and future business by maintaining sustained growth and sound financial management such as good cash flow, debt reduction, earnings growth and an acceptable return on investment in an ever changing environment.

Strategy for achieving the objectives

The Club conducts a Strategic Review of its operation annually and undertakes a number of strategic pillars to achieve these objectives such as providing:

- Strategic plans that are reviewed regularly and updated or amended each year in alignment with key performance objectives.
- Detailed budgets, cash flows and other forecasts that are prepared and used as mainstream management and board decision making tools.
- Strong customer focus through the continued development of our team.
- Constant review of our business operations to ensure operational efficiencies.
- Estate master-planning to identify future opportunities.
- Continued support to the local community where possible, notably those organisations that rely upon funding.
- Modern facilities that are constantly improving to meet and exceed our members' expectations and the ever-changing market.

Woonona Bulli RSL Memorial Club Limited

Directors' Report

Principal activity

The principal activity of the Company during the course of the financial year remained unchanged and was to provide members and their guests with the amenities and facilities usually associated with social clubs.

How this activity assists in achieving the objectives

The principal activity of the Club outlined above is consistent with the Club achieving the objectives with each stated strategy designed to enhance and improve the Club's facility and ensure delivery of quality facilities of an ex-service and community club.

Performance measurement and key performance indicators

The Club has detailed budgets and cash flows developed for the ensuing year as well as three to five year projections. The performance for the year is scrutinized on an ongoing, monthly basis, using the budget to industry benchmarks from the Club industry. Some of the criteria are as follows:

- Gross Profit Margins
- Detailed wages to sales analysis
- Detailed profit and loss accounts
- Balance sheet analysis
- Earnings before interest, tax, depreciation and amortisation (EBITDA)
- Earnings before interest, tax, depreciation and amortisation, rent and donations (EBITDARD)
- Detailed financial analysis between the different business units of the club under the corporate banner
- Cash flow analysis and forecasting

Woonona Bulli RSL Club	2022	2021
Gaming Revenue as a percentage of total revenue	54.17%	50.97%
Bar Revenue as a percentage of total revenue	16.88%	17.29%
Brasserie Revenue as a percentage of total revenue	20.50%	19.17%
Fitness Centre revenue as a percentage of total revenue	3.14%	3.40%
EBITDA Percentage	16.29%	13.19%

Woonona Bulli RSL Memorial Club Limited

Directors' Report

Performance measurement and key performance indicators (continued)

Non-Financial Performance is assessed by a variety of measures including:

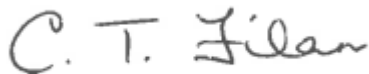
- Membership numbers and visitation rates
- Patron feedback,
- Social media insights, including trend analysis
- Market surveys and demographic analysis
- Staff involvement and feedback
- Staff retention rates
- Comparison to industry trends and initiatives

Auditor's independence declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 5.

Signed in accordance with a resolution of the directors.

Dated at Woonona this 27th day of February 2023.



C Filan
Director

DECLARATION OF INDEPENDENCE BY CLAYTON EVELEIGH TO THE DIRECTORS OF WOONONA BULLI RSL MEMORIAL CLUB LIMITED

As lead auditor of Woonona Bulli RSL Memorial Club Limited for the year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



Clayton Eveleigh
Director

BDO Audit Pty Ltd

Sydney, 27 February 2023

INDEPENDENT AUDITOR'S REPORT

To the members of Woonona Bulli RSL Memorial Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Woonona Bulli RSL Memorial Club Limited (the Company), which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, the statement of changes in members' funds 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 the accompanying financial report of Woonona Bulli RSL Memorial Club Limited, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Company's financial position as at 31 December 2022 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards - Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for opinion

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

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 opinion.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

BDO Audit Pty Ltd



Clayton Eveleigh
Director

Sydney, 27 February 2023

Woonona Bulli RSL Memorial Club Limited

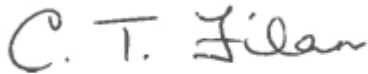
Directors' Declaration

The directors of Woonona Bulli RSL Memorial Club Limited declare that:

- (a) In the Directors' opinion the financial statements and notes set out on pages 9 to 30, are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the company's financial position as at 31 December 2022 and of its performance, for the financial year ended on that date; and
 - (ii) Complying with Australian Accounting Standards - Simplified Disclosures and *Corporations Regulations 2001*.
- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to section 295 (5)(a) of the *Corporations Act 2001*.

Dated at Woonona this 27th day of February 2023.



C Filan
Director

Woonona Bulli RSL Memorial Club Limited
Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2022

	Note	2022 \$	2021 \$
Revenue			
Sale of goods		3,903,988	2,623,662
Rendering of services		6,136,406	4,040,351
Other revenue		51,092	20,808
		<hr/>	<hr/>
Total revenue	1	10,091,486	6,684,821
		<hr/>	<hr/>
Other income	1	50,548	282,568
		<hr/>	<hr/>
Expenses			
Raw materials and consumables used		(1,612,265)	(1,010,537)
Employee benefits expense		(3,487,712)	(2,638,948)
Entertainment, marketing and promotional costs		(577,004)	(444,990)
Poker machine licences and taxes		(1,023,895)	(601,321)
Donations		(127,924)	(54,445)
Occupancy expenses		(1,156,094)	(904,885)
Professional fees		(88,413)	(29,494)
Other expenses		(520,224)	(382,480)
		<hr/>	<hr/>
		(8,593,531)	(6,067,100)
		<hr/>	<hr/>
Earnings before interest, tax, depreciation and amortisation expenses (EBITDA)		1,548,503	900,289
Gain on sale of land		6,195,540	-
Depreciation and amortisation expenses	2	(779,006)	(783,887)
Finance costs	2	(202,401)	(155,252)
		<hr/>	<hr/>
Net profit/(loss) before income tax		6,762,636	(38,850)
Income tax expense	3	(153,483)	(1,338,278)
		<hr/>	<hr/>
Net profit/(loss) after income tax		6,609,153	(1,377,128)
		<hr/>	<hr/>
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
		<hr/>	<hr/>
Total comprehensive income/(loss) for the year, net of tax		6,609,153	(1,377,128)
		<hr/> <hr/>	<hr/> <hr/>

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes set out on pages 13 to 30.

Woonona Bulli RSL Memorial Club Limited
Statement of Financial Position
As at 31 December 2022

	Note	2022 \$	2021 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	7,681,478	2,088,988
Trade and other receivables		14,182	18,079
Inventories		94,851	118,809
Prepayments and deposits paid		108,031	48,585
Asset Held for Sale	6	-	605,189
Total Current Assets		7,898,452	2,879,650
Non-Current Assets			
Property, plant and equipment	5	12,605,708	12,287,473
Right of Use Assets	7	467,339	335,671
Total Non-Current Assets		13,073,047	12,623,144
Total Assets		20,971,589	15,502,794
LIABILITIES			
Current Liabilities			
Trade and other payables	10	1,539,142	1,067,099
Financial liabilities	8	361,841	91,245
Employee benefits	11	364,858	448,224
Income received in advance		73,014	65,242
Lease liabilities	9	279,852	162,364
Current tax liabilities		26,433	1,319,398
Total Current Liabilities		2,645,140	3,153,572
Non-Current Liabilities			
Financial liabilities	8	4,023,159	4,642,126
Employee benefits	11	24,267	19,026
Income received in advance		49,163	54,081
Lease liabilities	9	43,174	88,125
Deferred tax liabilities		50,549	18,880
Total Non-Current Liabilities		4,190,312	4,822,238
Total Liabilities		6,835,452	7,975,810
Net Assets		14,136,137	7,526,984
Members' Funds			
Retained profits		14,136,137	7,526,984
Total Members' Funds		14,136,137	7,526,984

The Statement of Financial Position should be read in conjunction with the accompanying notes set out on pages 13 to 30.

Woonona Bulli RSL Memorial Club Limited
Statement of Changes in Members' Funds
For the Year Ended 31 December 2022

	Retained Profits \$	Total Equity \$
Balance at 31 December 2020	8,904,112	8,904,112
Net loss for the year	(1,377,128)	(1,377,128)
Other comprehensive loss for the year	-	-
Total comprehensive loss for the year	(1,377,128)	(1,377,128)
Balance at 31 December 2021	7,526,984	7,526,984
Net profit for the year	6,609,153	6,609,153
Other comprehensive income for the year	-	-
Total comprehensive profit for the year	6,609,153	6,609,153
Balance at 31 December 2022	14,136,137	14,136,137

The Statement of Changes in Members' Funds should be read in conjunction with the accompanying notes set out on pages 13 to 30.

Woonona Bulli RSL Memorial Club Limited
Statement of Cash Flows
For the Year Ended 31 December 2022

	2022 \$	2021 \$
Cash Flows From Operating Activities		
Receipts from customers (inclusive of GST)	11,055,893	7,333,863
Payments to suppliers and employees (inclusive of GST)	(8,375,158)	(6,608,623)
Government grants	-	268,338
Interest received	31,258	1,552
Rent received	19,835	19,257
Finance costs paid	(202,401)	(155,252)
	<hr/>	<hr/>
Net cash inflow from operating activities	1,924,328	859,135
	<hr/>	<hr/>
Cash Flows From Investing Activities		
Payment for property, plant and equipment	(1,230,987)	(603,591)
Proceeds from sale of plant and equipment	43,673	58,405
Proceeds from sale of land	6,800,729	-
Income tax paid on capital gain from sale of land	(1,414,779)	-
	<hr/>	<hr/>
Net cash inflow/(outflow) from investing activities	4,198,636	(545,186)
	<hr/>	<hr/>
Cash Flows From Financing Activities		
Payment of borrowings	(348,371)	(165,224)
Payment of finance leases	(182,103)	(80,385)
	<hr/>	<hr/>
Net cash outflow from financing activities	(530,474)	(245,609)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	5,592,490	68,340
Cash and cash equivalents at the beginning of the financial year	2,088,988	2,020,648
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	7,681,478	2,088,988
	<hr/>	<hr/>

The Statement of Cash Flows should be read in conjunction with the accompanying notes set out on pages 13 to 30.

Woonona Bulli RSL Memorial Club Limited

Notes to the Financial Statements

For the Year Ended 31 December 2022

Woonona Bulli RSL Memorial Club Limited is a company limited by guarantee, incorporated and domiciled in Australia and is a non-for-profit entity for the purposes of preparing the financial statements. The financial statements are for Woonona Bulli RSL Memorial Club Limited as a standalone legal entity.

The financial statements were approved for issue by the Directors on 27 February 2023.

The financial statements are general purpose financial statements which:

- Have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards - Simplified Disclosures of the Australia Accounting Standards Board ('AASB');
- Have been prepared under the historical cost convention;
- Are presented in Australian dollars;
- Where necessary comparative information has been restated to conform with changes in presentation in the current year; and
- Have been prepared on a going concern basis.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The company has adopted AASB 1060 from 1 January 2022. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of AASB. The adoption of this standard has not had a significant impact on the Company's financial statements.

Critical Accounting Judgements, Estimates and Assumptions

In the process of applying the company's accounting policies, management has made a number of judgements and applied estimates of future events. Judgements and estimates that are material to the financial statements include:

Estimation of useful lives of assets	Note 5
Lease term	Note 7
Long service leave liability	Note 11

Woonona Bulli RSL Memorial Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2022

	2022 \$	2021 \$
1 Revenue and Other Income		
Sale of Goods Revenue		
Bar sales	1,824,956	1,374,400
Brasserie sales	2,079,032	1,249,261
	<hr/>	<hr/>
	3,903,988	2,623,662
	<hr/>	<hr/>
Rendering of Services Revenue		
Poker machines - net clearances	5,314,096	3,424,537
Entertainment and promotions	160,186	145,284
Keno and TAB commission	180,215	128,297
Commission received	68,867	48,221
Membership subscriptions received	374,957	273,576
Sundry income	38,085	20,435
	<hr/>	<hr/>
	6,136,406	4,040,351
	<hr/>	<hr/>
Other Revenues		
Interest received	31,258	1,552
Rent received	19,834	19,256
	<hr/>	<hr/>
Total other revenue	51,092	20,808
	<hr/>	<hr/>
Total Revenue	10,091,486	6,684,821
	<hr/>	<hr/>
Other Income		
Net gain on disposal of plant and equipment	43,673	5,755
Service fee income	6,875	8,475
Government grants	-	268,338
	<hr/>	<hr/>
Total Other Income	50,548	282,568
	<hr/>	<hr/>
Total Revenue and Other Income	10,142,034	6,967,389
	<hr/>	<hr/>

Woonona Bulli RSL Memorial Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2022

1 Revenue and Other Income (continued)

Recognition and Measurement

Revenues are recognised at fair value of the consideration received or receivable net of the amount of goods and services tax (GST) payable to the taxation authority. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Sale of Goods

Revenue from the sale of goods comprises revenue earned from the provision of food, beverage and other goods and is recognised (net of rebates, returns, discounts and other allowances) at a point in time when the performance obligation is satisfied that is on delivery of goods to the customer.

Rendering of Services

Revenue from rendering services comprises revenue from gaming facilities together with other services to members and other patrons of the club and is recognised when the services are provided.

Interest Revenue

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

Rental Revenue

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

Other revenue

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

Other Income (Net gain on disposal of property, plant and equipment)

The gain on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs) and is recognised as revenue at the date control of the asset passes to the buyer.

Government grants

Government grants have been recorded as other income over the periods in which the related employee benefits are recognised as an expense.

Woonona Bulli RSL Memorial Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2022

	2022 \$	2021 \$
2 Expenses		
Profit before income tax includes the following specific expenses for continuing operations:		
Finance costs		
Bank loans	195,364	138,373
Finance lease charges	7,037	16,879
	202,401	155,252
Depreciation - property, plant and equipment		
Buildings and improvements	182,990	168,242
Poker machines	225,960	237,277
Plant and equipment	235,980	217,273
Leased assets	-	1,599
	644,930	624,391
Amortisation - right-of-use assets		
Poker machines	116,981	131,211
Plant and equipment	17,095	28,285
	134,076	159,496
Total depreciation and amortisation	779,006	783,887
Defined contribution superannuation expense	313,029	218,217

Recognition and Measurement

Finance costs include interest, premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings and lease finance charges.

Woonona Bulli RSL Memorial Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2022

3 Income Tax

Income Tax Expense

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.

	2022 \$	2021 \$
The amount set aside for income tax in the Statement of Profit or Loss and Other Comprehensive Income has been calculated as follows:		
Proportion of net income/(loss) attributable to non-members	195,473	(6,478)
Add: Other taxable income	394,749	285,795
Add: Capital gain relating to the sale of property (note 6)	-	5,618,109
	<hr/>	<hr/>
	590,222	5,897,426
Less: Other deductible expenses	(484,491)	(331,967)
	<hr/>	<hr/>
Taxable income	105,731	5,565,459
Tax losses utilised	-	(287,868)
	<hr/>	<hr/>
Net income subject to tax	105,731	5,277,591
	<hr/>	<hr/>
Current tax applicable to above at 25%	26,433	1,319,398
Deferred tax expense	31,669	18,880
Over provision	95,381	-
	<hr/>	<hr/>
Income tax expense	153,483	1,338,278
	<hr/>	<hr/>
Deferred Tax Liability		
Timing differences	50,549	18,880
	<hr/>	<hr/>
Deferred tax at 25%	50,549	18,880
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Woonona Bulli RSL Memorial Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2022

3 Income Tax (continued)

Recognition and Measurement

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

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle the claim simultaneously.

Mutuality Principle

The company calculates its income in accordance with the mutuality principle which excludes from income, any amounts of subscriptions and contributions from members, and payments received from members for particular services provided by the club or association, e.g. poker machines, bar and dining room service in the case of social clubs. The Commissioner of Taxation accepts this method of calculating income as appropriate for recognised clubs and associations. Amendments to the Income Tax Assessment Act 1997 ensure social clubs continue not to be taxed on receipts from contributions and payments received from members.

4 Cash and cash equivalents

	2022	2021
	\$	\$
Cash on hand	267,100	242,100
Cash at bank	7,414,378	1,846,888
	<hr/>	<hr/>
	7,681,478	2,088,988
	<hr/> <hr/>	<hr/> <hr/>

Recognition and measurement

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. During the year the Club has exchanged contracts for the sale of parcels of land it owns.

Woonona Bulli RSL Memorial Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2022

	2022 \$	2021 \$
5 Property, Plant and Equipment		
Freehold land, buildings and improvements		
<i>At cost</i>	11,644,858	11,644,858
<i>Accumulated depreciation</i>	(691,107)	(508,117)
	<hr/> 10,953,751	<hr/> 11,136,741
Poker machines		
<i>At cost</i>	2,697,689	2,267,009
<i>Accumulated depreciation</i>	(1,975,218)	(1,739,238)
	<hr/> 722,471	<hr/> 527,771
Plant and equipment		
<i>At cost</i>	3,331,417	3,217,272
<i>Accumulated depreciation</i>	(2,823,571)	(2,597,611)
	<hr/> 507,846	<hr/> 619,661
Leased assets		
<i>At cost</i>	1,720,063	1,720,063
<i>Accumulated amortisation</i>	(1,720,063)	(1,720,063)
	<hr/> -	<hr/> -
Work in progress		
<i>At cost</i>	421,640	3,300
	<hr/> 421,640	<hr/> 3,300
Total property, plant and equipment net book value	<hr/> <hr/> 12,605,708	<hr/> <hr/> 12,287,473

Refer to Note 7 for details of security over property, plant and equipment.

Woonona Bulli RSL Memorial Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2022

	2022 \$	2021 \$
5 Property, Plant and Equipment (continued)		
Movements in Carrying Amounts		
Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are set out below:		
Freehold Land, Buildings and Improvements		
Carrying amount at beginning of year	11,136,741	11,762,344
Depreciation expense	(182,990)	(168,242)
Re-allocation to assets held for sale	-	(457,361)
	<hr/>	<hr/>
Carrying amount at end of year	10,953,751	11,136,741
	<hr/> <hr/>	<hr/> <hr/>
Poker Machines		
Carrying amount at beginning of year	527,771	685,317
Additions	430,680	79,731
Depreciation expense	(235,980)	(237,277)
	<hr/>	<hr/>
Carrying amount at end of year	722,471	527,771
	<hr/> <hr/>	<hr/> <hr/>
Plant and Equipment		
Carrying amount at beginning of year	619,661	537,763
Additions	136,417	351,821
Disposals	(22,272)	(52,650)
Depreciation expense	(225,960)	(217,273)
	<hr/>	<hr/>
Carrying amount at end of year	507,846	619,661
	<hr/> <hr/>	<hr/> <hr/>
Leased Assets		
Carrying amount at beginning of year	-	1,599
Amortisation expense	-	(1,599)
	<hr/>	<hr/>
Carrying amount at end of year	-	-
	<hr/> <hr/>	<hr/> <hr/>
Work in progress		
Carrying amount at beginning of year	3,300	45,608
Additions	418,340	-
Reallocation to assets held for sale	-	(42,308)
	<hr/>	<hr/>
Carrying amount at end of year	421,640	3,300
	<hr/> <hr/>	<hr/> <hr/>

Woonona Bulli RSL Memorial Club Limited

Notes to the Financial Statements

For the Year Ended 31 December 2022

5 Property, Plant and Equipment (continued)

Refer to Note 7 for details of security over property, plant and equipment.

Core Properties held by the Club

Woonona
Club Land
455-459 Princes Highway
Woonona NSW 2517

Recognition and Measurement

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred. Capital works in progress is transferred to property, plant and equipment and depreciated when completed and ready for use.

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated using the straight line / diminishing value methods to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Buildings & Improvements	40 years
Plant & Equipment	3-10 years
Poker Machines	3-6 years
Leased Assets	4-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit or loss. When revalued assets are sold the amounts included in the revaluation reserve relating to those assets are transferred to retained earnings.

Valuation

An independent valuation of the company's freehold land and buildings at Woonona Bulli RSL was carried out as at 31 October 2018 on the basis of open market value for alternate use and resulted in a combined valuation of \$11,350,000 (which includes land sold during the current period that was subdivided post valuation). The directors do not believe that there has been a material movement in fair value since the valuation date.

Impairment of Assets

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

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

Woonona Bulli RSL Memorial Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2022

5 Property, Plant and Equipment (continued)

Recognition and Measurement (continued)

Key estimate and judgement: 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.

6 Assets Held for Sale

	2022 \$	2021 \$
Assets held for sale	-	605,189
Movements in Carrying Amounts		
Carrying amount at beginning of year	605,189	-
Reallocation from property, plant and equipment	-	499,669
Additions	199,271	105,520
Disposal on settlement	(804,460)	-
Carrying amount at end of year	-	605,189

During the year the company sold two parcels of land for \$7,000,000 which includes a portion of the Clubs land and 15 Nicholson Road, Woonona. The condition for settlement was approval by local council for the subdivision of the Club's property at 455-459 Princess Highway, Woonona which occurred during the current financial year. A deposit of \$700,000 was received in the prior year for the sale of the property which was being held as restricted cash by a third party (refer to note 4).

The sale of the property had given rise to a capital gain tax on the date of the exchange of the contracts and has been recognised as a current tax liability at 31 December 2021 (refer to note 3). This liability was settled with the Australian Tax Office on the finalisation of the company's 31 December 2021 tax return.

Recognition and measurement

Classification as "held for sale" occurs when management has committed to a plan for immediate sale, a sale is considered highly probable and the sale is expected to occur within one year from the date of classification. Such assets are classified as current assets. Assets held for sale are measured at the lower of carrying amount and fair value less costs to sell, where the carrying amount will be recovered principally through sale as opposed to continued use. No depreciation or amortisation is charged against assets classified as held for sale.

Woonona Bulli RSL Memorial Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2022

7 Right-of-use assets

	2022 \$	2021 \$
Plant & Equipment - right-of-use		
<i>At cost</i>	311,770	318,770
<i>Less accumulated amortisation</i>	(217,452)	(200,357)
	94,128	118,413
Poker Machines - right-of-use		
<i>At cost</i>	862,217	589,283
<i>Less accumulated amortisation</i>	(489,006)	(372,025)
	373,211	217,258
Total right-of-use assets at year end	467,339	335,671
Movements in carrying amounts of right-of-use assets:		
Plant & Equipment - right-of-use		
Carrying amount at the beginning of the year	118,413	146,698
Depreciation expense	(17,095)	(28,285)
Disposals	(7,190)	-
	94,128	118,413
Poker Machine - right-of-use		
Carrying amount at the beginning of the year	217,258	281,950
Additions	273,976	66,519
Depreciation expense	(116,981)	(131,211)
Disposals	(1,042)	-
	373,211	217,258
Total carrying amount at the end of the year	467,339	335,671

Woonona Bulli RSL Memorial Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2022

7 Right-of-use Assets (continued)

Recognition and measurement (continued)

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset. Right-of-use assets are amortised on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the amortisation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

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

Key Estimate and Judgement: Lease term

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

8 Financial Liabilities

	2022 \$	2021 \$
Current		
Credit Card Liability	1,841	1,775
Bank loans - secured	360,000	91,245
	<hr/>	<hr/>
	361,841	93,020
	<hr/> <hr/>	<hr/> <hr/>
Non-Current		
Bank loans - secured	4,023,159	4,642,126
	<hr/> <hr/>	<hr/> <hr/>

Woonona Bulli RSL Memorial Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2022

8 Financial Liabilities (continued)

Financing Arrangements

	2022 \$	2021 \$
The company has access to the following lines of credit:		
Total facilities available:		
Credit Card facilities	10,000	10,000
Bank overdraft facilities	200,000	200,000
Bank loan facilities	4,385,000	4,733,371
Master lease facilities	600,000	600,000
Other leases	27,759	117,476
	5,222,759	5,660,847
	5,222,759	5,660,847

Facilities utilised at reporting date:

Credit Card facilities	1,841	1,775
Bank overdraft facilities	-	-
Bank loan facilities	4,385,000	4,733,371
Master lease facilities (refer to note 9)	295,267	133,013
Other leases (refer to note 9)	27,759	117,476
	4,386,841	4,985,635
	4,386,841	4,985,635

Bank Loan Facility

The bank loan facility consists of a loans of \$4,385,000. The loan is repayable by regular quarterly instalments which include both interest and principal repayments. The principal amount is payable upon maturity of the loan on 31 March 2025. The facility bears a variable interest rate of Bank-bill Reference Rate (BBSY).

Security

The loan facility is secured by registered first mortgages over Woonona Bulli RSL, 455-459 Princes Highway, Woonona.

	2022 \$	2021 \$
Freehold land	5,230,339	5,350,000
Buildings	5,906,402	6,273,892
	11,136,741	11,623,892
	11,136,741	11,623,892

Woonona Bulli RSL Memorial Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2022

8 Financial Liabilities (continued)

Recognition and Measurement

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the period of borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

9 Lease Liabilities

	2022 \$	2021 \$
Current		
Lease Liabilities	279,852	162,364
	<hr/>	<hr/>
Non-Current		
Lease liabilities	43,174	88,125
	<hr/>	<hr/>

Recognition and measurement

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

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

Woonona Bulli RSL Memorial Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2022

	2022 \$	2021 \$
10 Trade and Other Payables		
Trade creditors	283,157	393,576
Goods and Services Tax (GST) payable	864,585	138,162
Other creditors and accruals	391,400	535,361
	1,539,142	1,067,099
	1,539,142	1,067,099

Recognition and Measurement

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

	2022 \$	2021 \$
11 Employee Benefits		
Current	364,858	448,224
	364,858	448,224
Non-current	24,267	19,026
	24,267	19,026
	389,125	467,250

Superannuation Plans

Contributions

The company is under a legal obligation to contribute 10.00% of each employee's base salary to a superannuation fund for period 1 July 2021 to 30 June 2022. The legal superannuation contribution required to be paid by the company to the employees selected superannuation fund changed to 10.5% for periods from 1 July 2022.

Recognition and Measurement

Wages and Salaries and Annual Leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables with respect to employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long Service Leave

The provision for employee benefits relating to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided to reporting date.

The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the market yields on corporate bonds at reporting date which most closely match the terms of maturity with the expected timing of cash flows. The unwinding of the discount is treated as long service leave expense.

Woonona Bulli RSL Memorial Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2022

11 Employee Benefits (continued)

Superannuation Plan

The company contributes to several defined contribution superannuation plans. Contributions are recognised as an expense as they are made. The company has no legal or constructive obligation to fund any deficit.

Key estimate and judgement: Long Service Leave Provision

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 to 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.

12 Key Management Personnel Details

(a) Directors

The following persons were non-executive directors of the company during the financial year:

Catherine Filan
Thora D. Geloven
Rolf Dern
Peter Harris
Garry May
Robert Trevenar
Geoff Smith

(b) Other Key Management Personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly during the financial year:

Name	Position
Michael Brennan	General Manager
Steven Newell	Operations Manager

(c) Key Management Personnel Compensation

	2022	2021
	\$	\$
Benefits and payments made to the Directors and Other Key Management Personnel	368,622	299,185
	<hr/>	<hr/>

The amounts above comprise actual payments of \$355,203 (2021: \$274,703) and an increase in leave provision of \$13,419 (2021: increase of \$24,482).

Woonona Bulli RSL Memorial Club Limited

Notes to the Financial Statements

For the Year Ended 31 December 2022

13 Related Parties

Key Management Personnel

Disclosures relating to key management personnel are set out in Note 12.

Directors' Transactions with the Company

From time to time, directors of the company, or their director-related entities, may purchase goods from the company. These purchases are on the same terms and conditions as those entered into by other company employees or customers and are trivial or domestic in nature.

Apart from the details disclosed in this note, no director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

14 Commitments

At 31 December 2022, the company does not have any commitments, contingent liabilities or not entered into any contractual commitments for the acquisition of property, plant and equipment or any other commitments (2021: Nil).

15 Company Details

The Club is incorporated and domiciled in Australia as a company limited by guarantee. In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$10 per member in the event of the winding up of the company during the time that he is a member or within one year thereafter. At 31 December 2022 there were 12,558 members (2021: 12,044 members).

The registered office of the Club is 455 Princes Highway, Woonona NSW 2517.

16 Auditors' Remuneration

During the financial year the following fees were paid or payable for services provided by BDO, the auditor of the company:

	2022 \$	2021 \$
Audit services		
Audit of the financial statements	31,500	29,000
Other services		
Other services	7,500	7,000
	<hr/>	<hr/>

17 Events Subsequent to Reporting Date

There have been no other matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Club, the results of those operations or the state of affairs of the Club in future financial years.

Woonona Bulli RSL Memorial Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2022

18 Summary of Other Significant Accounting Policies (continued)

(a) Goods and Services Tax

Revenues, 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. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office

(b) Trade and Other Receivables

Trade debtors and other receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and provisions for doubtful accounts.

(c) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average costs.

(d) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets such as trading and available-for-sale securities is based on quoted market prices at the Statement of Financial Position date. The quoted market price used for financial assets held by the company is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

(e) Customer Loyalty Program

The company operates a loyalty program where customers accumulated points for dollars spent. The award points are recognised as a separately identifiable component of the initial sale transaction, by allocating the fair value of the consideration received between the award points and the other components of the sale that the award points are recognised at their fair value. Revenue from the award points is recognised when the points are redeemed. The amount of revenue is based on the number of points redeemed relative to the total number expected to be redeemed.

(f) Comparative figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year.