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Woonona Bulli RSL Memorial Club Limited

ACN 001 059 374

Annual Financial Report  
31 December 2023

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# 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 2023.

### 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	21
Thora D. Geloven	Company Director	23
Rolf Dern	Retired Builder	18
Peter Harris	Retired Engineer	15
Garry May (Resigned August 2023)	Retired School Teacher	12
Robert Trevenar	Retired School Teacher	11
Geoffrey Smith	Electrical Co-ordinator	8
Nathan McDonald (Appointed December 2023)	Manager Public Service NSW	0

### Directors' meetings

The number of meetings of the company's Board of Directors (the Board) held during the year ended 31 December 2023, 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	10	12
Peter Harris	11	12
Garry May	6	8
Robert Trevenar	12	12
Geoff Smith	12	12
Nathan McDonald	1	1

\* 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 2023 is as follows:

	2023	2022
Ordinary	12,908	12,548
Life	10	10
	<hr/>	<hr/>
	12,918	12,558
	<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 \$129,180 (2022: \$125,580).

# Woonona Bulli RSL Memorial Club Limited

## Directors' Report

### Operating result

The Club recorded a profit before tax of \$442,793 for the year compared with profit of \$6,762,636 for the prior year. In the prior year the Club's results were positively impacted by the sale of land which resulted in a gain of \$6,195,540.

### 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	2023	2022
Gaming Revenue as a percentage of total revenue	52.53%	54.17%
Bar Revenue as a percentage of total revenue	16.25%	16.88%
Brasserie Revenue as a percentage of total revenue	20.79%	20.50%
Fitness Centre revenue as a percentage of total revenue	3.35%	3.14%
<b>EBITDA Percentage</b>	<b>13.13%</b>	<b>15.34%</b>

# 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 29<sup>th</sup> day of February 2024.



**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 2023, 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, 29 February 2024

## 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 2023, 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 2023 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](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, 29 February 2024



# 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 28, 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 2023 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 29<sup>th</sup> day of February 2024.



**C Filan**  
Director

Woonona Bulli RSL Memorial Club Limited  
Statement of Profit or Loss and Other Comprehensive Income  
For the Year Ended 31 December 2023

	Note	2023 \$	2022 \$
<b>Revenue</b>			
Sale of goods		4,095,710	3,903,988
Rendering of services		6,682,821	6,136,406
Other revenue		279,008	51,092
		<hr/>	<hr/>
Total revenue	1	11,057,539	10,091,486
		<hr/>	<hr/>
Other income	1	78,236	50,548
		<hr/>	<hr/>
<b>Expenses</b>			
Raw materials and consumables used		(1,716,535)	(1,612,265)
Employee benefits expense		(3,802,698)	(3,487,712)
Entertainment, marketing and promotional costs		(561,634)	(577,004)
Poker machine licences and taxes		(1,565,398)	(1,023,895)
Donations		(129,386)	(127,924)
Occupancy expenses		(1,146,812)	(1,156,094)
Professional fees		(170,205)	(88,413)
Other expenses		(591,710)	(520,224)
		<hr/>	<hr/>
		(9,684,378)	(8,593,531)
		<hr/>	<hr/>
<b>Earnings before interest, tax, depreciation and amortisation expenses (EBITDA)</b>		1,451,397	1,548,503
Gain on sale of land		-	6,195,540
Depreciation and amortisation expenses		(745,275)	(779,006)
Finance costs	2	(263,329)	(202,401)
		<hr/>	<hr/>
<b>Net profit before income tax</b>		442,793	6,762,636
Income tax expense	3	(39,212)	(153,483)
		<hr/>	<hr/>
<b>Net profit after income tax</b>		403,581	6,609,153
		<hr/>	<hr/>
<b>Other comprehensive income</b>			
Other comprehensive income for the year, net of tax		-	-
		<hr/>	<hr/>
<b>Total comprehensive income for the year, net of tax</b>		403,581	6,609,153
		<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 28.

Woonona Bulli RSL Memorial Club Limited  
Statement of Financial Position  
As at 31 December 2023

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	5,710,205	7,681,478
Trade and other receivables		27,267	14,182
Inventories		104,713	94,851
Prepayments and deposits paid		153,512	108,031
<b>Total Current Assets</b>		<b>5,995,697</b>	<b>7,898,542</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	5	14,025,218	12,605,708
Right of use assets	6	333,263	467,339
<b>Total Non-Current Assets</b>		<b>14,358,481</b>	<b>13,073,047</b>
<b>Total Assets</b>		<b>20,354,178</b>	<b>20,971,589</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	9	977,321	1,539,142
Financial liabilities	7	360,000	361,841
Employee benefits	10	377,413	364,858
Income received in advance		58,844	73,014
Lease liabilities	8	167,137	279,852
Current tax liabilities		38,699	26,433
<b>Total Current Liabilities</b>		<b>1,979,414</b>	<b>2,645,140</b>
<b>Non-Current Liabilities</b>			
Financial liabilities	7	3,665,000	4,023,159
Employee benefits	10	26,900	24,267
Income received in advance		48,732	49,163
Lease liabilities	8	16,922	43,174
Deferred tax liabilities		77,492	50,549
<b>Total Non-Current Liabilities</b>		<b>3,835,046</b>	<b>4,190,312</b>
<b>Total Liabilities</b>		<b>5,814,460</b>	<b>6,835,452</b>
<b>Net Assets</b>		<b>14,539,718</b>	<b>14,136,137</b>
<b>Members' Funds</b>			
Retained profits		14,539,718	14,136,137
<b>Total Members' Funds</b>		<b>14,539,718</b>	<b>14,136,137</b>

The Statement of Financial Position should be read in conjunction with the accompanying notes set out on pages 13 to 28.

Woonona Bulli RSL Memorial Club Limited  
Statement of Changes in Members' Funds  
For the Year Ended 31 December 2023

	Retained Profits \$	Total Members' Funds \$
<b>Balance at 31 December 2021</b>	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 income for the year	6,609,153	6,609,153
<b>Balance at 31 December 2022</b>	14,136,137	14,136,137
Net profit for the year	403,581	403,581
Other comprehensive income for the year	-	-
Net profit for the year	403,581	403,581
<b>Balance at 31 December 2023</b>	14,539,718	14,539,718

The Statement of Changes in Members' Funds should be read in conjunction with the accompanying notes set out on pages 13 to 28.

Woonona Bulli RSL Memorial Club Limited  
Statement of Cash Flows  
For the Year Ended 31 December 2023

	2023 \$	2022 \$
<b>Cash Flows From Operating Activities</b>		
Receipts from customers (inclusive of GST)	11,827,240	11,055,893
Payments to suppliers and employees (inclusive of GST)	(11,362,750)	(8,980,257)
Interest received	258,579	31,258
Rent received	20,429	19,835
Finance costs paid	(263,329)	(202,401)
	<hr/>	<hr/>
<b>Net cash inflow from operating activities</b>	480,169	1,924,328
	<hr/>	<hr/>
<b>Cash Flows From Investing Activities</b>		
Payment for property, plant and equipment	(2,030,711)	(1,230,987)
Proceeds from sale of plant and equipment	78,236	43,673
Proceeds from sale of land	-	6,800,729
Income tax paid on capital gain from sale of land	-	(1,414,779)
	<hr/>	<hr/>
<b>Net cash (outflow)/inflow from investing activities</b>	(1,952,475)	4,198,636
	<hr/>	<hr/>
<b>Cash Flows From Financing Activities</b>		
Payment of borrowings	(360,000)	(348,371)
Payment of finance leases	(138,967)	(182,103)
	<hr/>	<hr/>
<b>Net cash outflow from financing activities</b>	(498,967)	(530,474)
	<hr/>	<hr/>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(1,971,273)	5,592,490
<b>Cash and cash equivalents at the beginning of the financial year</b>	7,681,478	2,088,988
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the financial year</b>	5,710,205	7,681,478
	<hr/>	<hr/>

The Statement of Cash Flows should be read in conjunction with the accompanying notes set out on pages 13 to 28.

# Woonona Bulli RSL Memorial Club Limited

## Notes to the Financial Statements

### For the Year Ended 31 December 2023

#### **Basis of preparation**

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 29 February 2024.

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.

#### **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 8
Long service leave liability	Note 10

Woonona Bulli RSL Memorial Club Limited  
Notes to the Financial Statements  
For the Year Ended 31 December 2023

	2023 \$	2022 \$
<b>1 Revenue and Other Income</b>		
<b>Sale of Goods Revenue</b>		
Bar sales	1,796,772	1,824,956
Brasserie sales	2,298,938	2,079,032
	<hr/> 4,095,710	<hr/> 3,903,988
<b>Rendering of Services Revenue</b>		
Poker machines - net clearances	5,808,056	5,314,096
Entertainment and promotions	151,280	160,186
Keno and TAB commission	169,592	180,215
Commission received	66,499	68,867
Membership subscriptions received	439,302	374,957
Sundry income	48,092	38,085
	<hr/> 6,682,821	<hr/> 6,136,406
<b>Other Revenues</b>		
Interest received	258,579	31,258
Rent received	20,429	19,834
	<hr/> 279,008	<hr/> 51,092
<b>Total Revenue</b>	<hr/> 11,057,539	<hr/> 10,091,486
<b>Other Income</b>		
Net gain on disposal of plant and equipment	78,236	43,673
Service fee income	-	6,875
	<hr/> 78,236	<hr/> 50,548
<b>Total Revenue and Other Income</b>	<hr/> 11,135,775	<hr/> 10,142,034

Woonona Bulli RSL Memorial Club Limited  
Notes to the Financial Statements  
For the Year Ended 31 December 2023

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.

	2023 \$	2022 \$
<b>2 Expenses</b>		
<b>Finance costs</b>		
Bank loans	259,441	195,364
Finance lease charges	3,888	7,037
	<hr/>	<hr/>
	263,329	202,401
	<hr/>	<hr/>

**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 2023

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.

	2023 \$	2022 \$
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 attributable to non-members	118,612	195,473
Add: Other taxable income	620,331	394,749
	<hr/>	<hr/>
	738,943	590,222
Less: Other deductible expenses	(522,574)	(484,491)
	<hr/>	<hr/>
Taxable income	216,369	105,731
Tax losses utilised	-	-
	<hr/>	<hr/>
Net income subject to tax	216,369	105,731
	<hr/>	<hr/>
Current tax applicable to above at 25%	54,092	26,433
Deferred tax expense	26,943	31,669
(Over)/under provision	(41,823)	95,381
	<hr/>	<hr/>
Income tax expense	39,212	153,483
	<hr/>	<hr/>
<b>Deferred Tax Liability</b>		
Timing differences	77,492	50,549
	<hr/>	<hr/>
Deferred tax liability	77,492	50,549
	<hr/> <hr/>	<hr/> <hr/>

Woonona Bulli RSL Memorial Club Limited  
Notes to the Financial Statements  
For the Year Ended 31 December 2023

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

	2023 \$	2022 \$
Cash on hand	267,100	267,100
Cash at bank	5,443,105	7,414,378
	<hr/>	<hr/>
	5,710,205	7,681,478
	<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 2023

	2023 \$	2022 \$
<b>5 Property, Plant and Equipment</b>		
Freehold land, buildings and improvements		
<i>At cost</i>	11,644,858	11,644,858
<i>Accumulated depreciation</i>	(859,356)	(691,107)
	10,785,502	10,953,751
Poker machines		
<i>At cost</i>	2,697,689	2,697,689
<i>Accumulated depreciation</i>	(2,236,531)	(1,975,218)
	461,158	722,471
Plant and equipment		
<i>At cost</i>	4,292,454	3,331,417
<i>Accumulated depreciation</i>	(2,769,536)	(2,823,571)
	1,522,918	507,846
Work in progress		
<i>At cost</i>	1,255,640	421,640
	1,255,640	421,640
Total property, plant and equipment net book value	14,025,218	12,605,708

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 2023

	2023 \$	2022 \$
<b>5 Property, Plant and Equipment (continued)</b>		
<b>Movements in Carrying Amounts</b>		
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:		
<b>Freehold Land, Buildings and Improvements</b>		
Carrying amount at beginning of year	10,953,751	11,136,741
Depreciation expense	(168,249)	(182,990)
	<hr/>	<hr/>
Carrying amount at end of year	10,785,502	10,953,751
	<hr/>	<hr/>
<b>Poker Machines</b>		
Carrying amount at beginning of year	722,471	527,771
Additions	-	430,680
Depreciation expense	(261,313)	(235,980)
	<hr/>	<hr/>
Carrying amount at end of year	461,158	722,471
	<hr/>	<hr/>
<b>Plant and Equipment</b>		
Carrying amount at beginning of year	507,846	619,661
Additions	1,223,373	136,417
Disposals	(26,672)	(22,272)
Depreciation expense	(181,629)	(225,960)
	<hr/>	<hr/>
Carrying amount at end of year	1,522,918	507,846
	<hr/>	<hr/>
<b>Work in progress</b>		
Carrying amount at beginning of year	421,640	3,300
Additions	834,000	418,340
	<hr/>	<hr/>
Carrying amount at end of year	1,255,640	421,640
	<hr/>	<hr/>

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

# Woonona Bulli RSL Memorial Club Limited

## Notes to the Financial Statements

### For the Year Ended 31 December 2023

## 5 Property, Plant and Equipment (continued)

### 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.

### 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.

Woonona Bulli RSL Memorial Club Limited  
Notes to the Financial Statements  
For the Year Ended 31 December 2023

6 Right-of-use assets

	2023 \$	2022 \$
Plant & Equipment - right-of-use		
<i>At cost</i>	311,770	311,770
<i>Less accumulated amortisation</i>	(234,737)	(217,642)
	77,033	94,128
Poker Machines - right-of-use		
<i>At cost</i>	862,217	862,217
<i>Less accumulated amortisation</i>	(605,987)	(489,006)
	256,230	373,211
	333,263	467,339
	333,263	467,339
<b>Movements in carrying amounts of right-of-use assets:</b>		
<b>Plant &amp; Equipment - right-of-use</b>		
Carrying amount at the beginning of the year	94,128	118,413
Depreciation expense	(17,095)	(17,095)
Disposals	-	(7,190)
	77,033	94,128
<b>Poker Machine - right-of-use</b>		
Carrying amount at the beginning of the year	373,211	217,258
Additions	-	273,976
Depreciation expense	(116,981)	(116,981)
Disposals	-	(1,042)
	256,230	373,211
Carrying amount at the end of the year	256,230	373,211
	333,263	467,339
	333,263	467,339

Woonona Bulli RSL Memorial Club Limited  
Notes to the Financial Statements  
For the Year Ended 31 December 2023

6 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.

7 Financial Liabilities

	2023 \$	2022 \$
<b>Current</b>		
Credit Card Liability	-	1,841
Bank loans - secured	360,000	360,000
	<hr/>	<hr/>
	360,000	361,841
	<hr/>	<hr/>
<b>Non-Current</b>		
Bank loans - secured	3,665,000	4,023,159
	<hr/>	<hr/>

Woonona Bulli RSL Memorial Club Limited  
Notes to the Financial Statements  
For the Year Ended 31 December 2023

7 Financial Liabilities (continued)

**Financing Arrangements**

	2023 \$	2022 \$
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	4,025,000	4,385,000
Master lease facilities	-	600,000
Other leases	184,059	323,026
	<hr/>	<hr/>
	4,409,059	5,518,026
	<hr/> <hr/>	<hr/> <hr/>
Facilities utilised at reporting date:		
Credit Card facilities	-	1,841
Bank overdraft facilities	-	-
Bank loan facilities	4,025,000	4,385,000
Master lease facilities	-	-
Other leases (refer to note 9)	184,059	323,026
	<hr/>	<hr/>
	4,209,059	4,709,867
	<hr/> <hr/>	<hr/> <hr/>

**Bank Loan Facility**

The bank loan facility consists of a loans of \$4,025,000. 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.

	2023 \$	2022 \$
Freehold land	5,230,339	5,230,339
Buildings	5,773,209	5,906,402
	<hr/>	<hr/>
Total pledged	11,003,548	11,136,741
	<hr/> <hr/>	<hr/> <hr/>



Woonona Bulli RSL Memorial Club Limited  
Notes to the Financial Statements  
For the Year Ended 31 December 2023

7 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.

8 Lease Liabilities

	2023 \$	2022 \$
<b>Current</b>		
Lease Liabilities	167,137	279,852
	<hr/>	<hr/>
<b>Non-Current</b>		
Lease liabilities	16,922	43,174
	<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 2023

	2023 \$	2022 \$
<b>9 Trade and Other Payables</b>		
Trade creditors	616,845	283,157
Goods and Services Tax (GST) payable	50,279	864,585
Other creditors and accruals	310,197	391,400
	<hr/>	<hr/>
	977,321	1,539,142
	<hr/>	<hr/>

**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.

	2023 \$	2022 \$
<b>10 Employee Benefits</b>		
Current	377,413	364,858
	<hr/>	<hr/>
Non-current	26,900	24,267
	<hr/>	<hr/>
	404,313	389,125
	<hr/>	<hr/>

**Superannuation Plans**

**Contributions**

The company is under a legal obligation to contribute 10.5% of each employee's base salary to a superannuation fund for period 1 July 2022 to 30 June 2023. The legal superannuation contribution required to be paid by the company to the employees selected superannuation fund changed to 11% for periods from 1 July 2023.

**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 2023

10 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. The total superannuation contributions for the year were:

	2023 \$	2022 \$
Defined contribution superannuation expense	342,703	313,029

**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.

11 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  
Nathan McDonald

(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

	2023 \$	2022 \$
Benefits and payments made to the Directors and Other Key Management Personnel	400,685	401,967

# Woonona Bulli RSL Memorial Club Limited

## Notes to the Financial Statements

### For the Year Ended 31 December 2023

## 12 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.

## 13 Commitments

### Capital Commitment

The Club has entered into a contract with Warrane DCF Pty Ltd for the upgrade of the Woonona Bulli RSL Memorial Club carpark. The Club is contractually committed to the project under a cost-plus arrangement. As at 31 December 2023, there is an estimated \$3,336,000 of remaining commitments under the agreement not disclosed as a liability in relation to this contract as the works are yet to be completed. The works are expected to be completed within one year.

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

## 14 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 2023 there were 12,918 members (2022: 12,558 members).

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

## 15 Auditors' Remuneration

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

	2023 \$	2022 \$
<b>Audit services</b>		
Audit of the financial statements	35,500	31,500
<b>Other services</b>		
Other services	6,825	6,500
	<hr/>	<hr/>

# Woonona Bulli RSL Memorial Club Limited

## Notes to the Financial Statements

### For the Year Ended 31 December 2023

#### 16 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.

#### 17 Summary of Other Significant Accounting Policies

##### (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.