

MUSWELLBROOK R S L SUB BRANCH CLUB LTD

ABN 16 000 992 012

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2023

Your directors present this report on the entity for the financial year ended 30 June 2023.

Directors

The names of the directors in office at the date of this report are:

	Qualifications	Board Service
B. Adam-Smith	Electrician	3 yrs
R. Blaikie	Retired	19 yrs
J. Bradbery	Maintenance Fitter	4 yrs
J. Broadley	School Teacher	2 yrs
D. Cole	Truck Driver	1 yr
W. Tyers	Bank Officer	2 yrs

The company secretary as at the date of this report is D.A. Egan. Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Review of Operations

The net profit after income tax for the year was \$32,873.88, compared to a \$152,445 loss in the 2022 year.

Muswellbrook RSL Sub Branch Club Ltd - Profit for Purpose

The company is committed to invest its earnings into members facilities and our local community.

Members, the board of directors and staff would like to say a big thank you for your ongoing support. This year was successful and gave a true indication of where we are at after completing trade for a full year. We have very low debt and very good cash reserves.

We have some exciting projects to come in FY24, this will see the inside of the RSL Club adopt a fresh look, all new furniture and kitchen upgrades, and solar power for the Golf Clubhouse. More member promotions, plenty of golf events, entertainment, community events and donations through Club Grants.

Thank you for your continued support We put back into our club facilities and local community what you give to us, channelling over \$80,000 in donations to the local community in the FY23.

Principal Activities

The principal activity of the company during the financial year was to provide comfortable recreational facilities and amenities for members and guests.

Objectives and Strategy

The company's short-term objectives are to maintain a high standard of customer service and to provide modern and comfortable facilities for its members and their guests.

The company is continually introducing new and improved facilities, it financially supports local charities, sporting, and community groups, and provides meeting and function rooms for community groups to utilise.

The company's long-term objective is to maintain a high revenue base which includes introducing various sources of diversified income, including the operation of the Centabrook Motel, the lease on commercial and residential rental properties. The board and management are always reviewing their strategic planning for future expansion of the company.

MUSWELLBROOK R S L SUB BRANCH CLUB LTD

ABN 16 000 992 012

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2023

The company sets a high standard of service and facilities in its aim to be the Premier Club of the Upper Hunter.

Key Performance Measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

The company measures its performance by monitoring and managing the following ratios, margins, and results:

	2023
- Gearing Ratio	1.25%
- Bar Gross Profit	56.28%
- EBITDA (earnings before interest, tax, depreciation, and amortisation)	962,084
- EBITDA as a % of total operating revenue	13.55%

Meetings of Directors

During the financial year twelve board meetings were held. Attendances by each director were as follows:

Names	Board Meetings	
	Number Eligible To Attend	Number Attended
B. Adam-Smith	12	12
R. Blaikie	12	12
J. Bradbery	12	12
J. Broadley	12	11
D. Cole	7	3
P. Ryan	5	3
W. Tyers	12	11

Members Guarantee

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the company. At 30 June 2023, the total amount that members of the company are liable to contribute if the company is wound up is \$113,920.00 (2022: \$101,180).

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2023 has been received and can be found on the following page of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors:



Director

13 September 2023

Muswellbrook



Davies, Thompson & Wright

ABN 70 340 182 044

CHARTERED ACCOUNTANTS

PARTNERS

Tracey L. Lawler B.Comm. C.A.
Scott P. Collins B.Comm./B.Econ. C.A

60 Brook Street
PO Box 128
Muswellbrook NSW 2333

Phone (02) 6543 2766

Email admin@dtwservices.com.au


Web www.dtwservices.com.au

**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
MUSWELLBROOK R S L SUB BRANCH CLUB LTD**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Muswellbrook R S L Sub Branch Club Ltd. As the lead audit partner for the audit of the financial report of Muswellbrook R S L Sub Branch Club Ltd for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

Name of Firm: Davies Thompson & Wright
Chartered Accountants

Name of Partner: 
Tracey L. Lawler (RCA 346 434)

Address: 60 Brook Street, MUSWELLBROOK NSW 2333

Dated this 13th day of September 2023

MUSWELLBROOK R S L SUB BRANCH CLUB LTD
ABN 16 000 992 012

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Revenue	2	6,101,973.37	4,991,825.09
Cost of Goods Sold		(663,135.10)	(529,934.72)
Direct Costs			
- employee benefits expense		(1,123,034.13)	(1,040,226.99)
- other direct costs		(1,031,267.17)	(814,587.86)
Gross Profit on Trading		3,284,536.97	2,607,075.52
Profit/(Loss) from Motel Activities		121,298.05	(10,666.60)
Profit/(Loss) from Rental Activities		43,069.26	36,273.47
Other Income	2	531,558.06	670,285.34
Administration and Operating Expenses			
- depreciation and amortisation expense		(933,568.24)	(878,100.04)
- employee benefits expense		(1,047,361.79)	(998,907.89)
- entertainment and members promotions		(477,643.47)	(357,069.27)
- interest paid		(7,322.33)	(8,232.90)
- repairs and maintenance		(362,580.51)	(320,884.82)
- donations		(78,899.00)	(80,814.53)
- other expenses		(1,063,826.37)	(925,295.75)
SURPLUS/(DEFICIT) BEFORE INCOME TAX	3	9,260.63	(266,377.47)
Income Tax Expense		23,613.25	113,892.00
SURPLUS FOR THE YEAR		32,873.88	(152,445.47)
OTHER COMPREHENSIVE INCOME FOR THE YEAR		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		32,873.88	(152,445.47)

The accompanying notes form part of these financial statements.

MUSWELLBROOK R S L SUB BRANCH CLUB LTD

ABN 16 000 992 012

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$
CURRENT ASSETS			
Cash and Cash Equivalents	4	2,460,207.43	2,470,265.68
Trade and Other Receivables	5	53,976.05	56,545.64
Inventories	6	64,524.98	57,802.98
Other Assets	7	218,523.69	194,564.79
Provision for Income Tax	14	29,021.25	81,498.50
TOTAL CURRENT ASSETS		<u>2,826,253.40</u>	<u>2,860,677.59</u>
NON-CURRENT ASSETS			
Investments	8	1,752.14	1,752.14
Property, Plant, Equipment and Right of Use Assets	9	11,662,258.93	11,939,384.31
Investment Property	10	152,793.75	152,958.75
Intangibles	11	1,538,221.16	1,538,221.16
TOTAL NON-CURRENT ASSETS		<u>13,355,025.98</u>	<u>13,632,316.36</u>
TOTAL ASSETS		<u>16,181,279.38</u>	<u>16,492,993.95</u>
CURRENT LIABILITIES			
Trade and Other Payables	12	801,934.32	1,019,593.29
Borrowings	13	102,776.63	117,770.41
Provision for Income Tax	14	-	-
TOTAL CURRENT LIABILITIES		<u>904,710.95</u>	<u>1,137,363.70</u>
NON-CURRENT LIABILITIES			
Borrowings	13	85,211.99	194,411.88
Provisions	15	149,507.71	152,243.52
TOTAL NON-CURRENT LIABILITIES		<u>234,719.70</u>	<u>346,655.40</u>
TOTAL LIABILITIES		<u>1,139,430.65</u>	<u>1,484,019.10</u>
NET ASSETS		<u>15,041,848.73</u>	<u>15,008,974.85</u>
EQUITY			
Reserves	16	33,388.45	33,388.45
Retained Earnings		15,008,460.28	14,975,586.40
TOTAL EQUITY		<u>15,041,848.73</u>	<u>15,008,974.85</u>

The accompanying notes form part of these financial statements.

MUSWELLBROOK R S L SUB BRANCH CLUB LTD
ABN 16 000 992 012

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Retained Earnings	General Reserve	Total
	\$	\$	\$
BALANCE AT 1 JULY 2020 RESTATED	13,681,741.42	33,388.45	13,715,129.87
Total comprehensive income attributable to members of the company for the year	1,446,290.45	-	1,446,290.45
BALANCE AT 30 JUNE 2021	15,128,031.87	33,388.45	15,161,420.32
Total comprehensive income attributable to members of the company for the year	(152,445.47)	-	(152,445.47)
BALANCE AT 30 JUNE 2022	14,975,586.40	33,388.45	15,008,974.85
Total comprehensive income attributable to members of the company for the year	32,873.88	-	3,2783.88
BALANCE AT 30 JUNE 2023	15,008,460.28	33,388.45	15,041,848.73

The accompanying notes form part of these financial statements.

MUSWELLBROOK R S L SUB BRANCH CLUB LTD

ABN 16 000 992 012

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
		INFLOWS (OUTFLOWS)	INFLOWS (OUTFLOWS)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Operations		7,068,839.62	5,906,607.70
Golf Club Grant Monies Received		-	133,882.50
Payments to Suppliers and Employees		(6,344,328.32)	(5,223,204.64)
Interest Received		6,796.22	181.04
Finance Costs		(13,215.23)	(8,469.61)
Taxation Paid		(21,732.68)	(15,906.00)
NET CASH FLOWS FROM OPERATING ACTIVITIES		<u>696,359.61</u>	<u>793,090.99</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Rental Bonds Held		-	-
Payment for Property, Plant and Equipment		(647,263.01)	(796,247.63)
Proceeds from Sale of Property, Plant and Equipment		3,272.19	6,363.64
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u>(643,990.82)</u>	<u>(789,883.99)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Finance Commitments		(62,427.04)	(48,470.85)
Increase in Finance Commitments		-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		<u>(62,427.04)</u>	<u>(48,470.85)</u>
NET INCREASE OR (DECREASE) IN CASH HELD CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>2,470,265.68</u>	<u>2,515,529.53</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	4	<u>2,460,207.43</u>	<u>2,470,265.68</u>

The accompanying notes form part of these financial statements.

MUSWELLBROOK R S L SUB BRANCH CLUB LTD
ABN 16 000 992 012

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

The financial statements are for Muswellbrook R S L Sub Branch Club Ltd as an individual company, incorporated and domiciled in Australia. Muswellbrook R S L Sub Branch Club Ltd is a company limited by guarantee.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The company is a not-for-profit company for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events, and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

ACCOUNTING POLICIES

Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Dividends are brought to account when received. Interest is brought to account on an accruals basis for bank term deposits. Poker machine revenue is stated net of payouts. Rental income, from investment properties, is recognised over the period of the lease. Motel revenue is recognised on a daily basis and includes 1A St. Heliers Street as motel rental income.

Grant revenue is recognised in the profit or loss when the company obtains control of the grant, and it is probable that the economic benefits gained from the grant will flow to the company and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before the company is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

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

Inventories

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

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of property, plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

MUSWELLBROOK R S L SUB BRANCH CLUB LTD

ABN 16 000 992 012

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Depreciation and Amortisation

The depreciable amount of all fixed assets, including capitalised leased assets but excluding freehold land, is depreciated over the asset's useful life to the company commencing from the time the asset is held ready for use. Buildings are depreciated on a straight-line basis.

Leasehold assets attached to leased land are amortised on a straight-line basis commencing when installed ready for use over the remaining term of the land lease.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.50%
Plant and Equipment	7.5 to 50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in the profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Leases

As Lessee

At inception of a contract, the company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the company where the company is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the company uses the incremental borrowing rate of 4.39%.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

MUSWELLBROOK R S L SUB BRANCH CLUB LTD
ABN 16 000 992 012

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Financial Instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. Financial instruments are measured at cost.

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

Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. If such an indication exists an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

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

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

Employee Benefits

Provision is made in respect of the company's liability for annual leave and long service leave arising from services rendered by employees to the end of the reporting period. Long service leave is accrued in respect of all employees with more than 5 years' service with the company. Superannuation guarantee contributions are made by the company to the employee's superannuation fund of choice and are recognised as an expense when they become payable. All obligations for unpaid superannuation guarantee contributions are presented as current liabilities in the company's statement of financial position.

Cash and Cash Equivalents

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

Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented in the statement of cash flows exclusive of GST.

Income Tax

Income tax expense, shown on the statement of comprehensive income, is calculated in accordance with the Waratah's formula. It is calculated on an annual basis, with a corresponding provision for income tax payable raised.

MUSWELLBROOK R S L SUB BRANCH CLUB LTD

ABN 16 000 992 012

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

Intangibles

Intangibles are initially recognised at cost. Borrowing expenses are amortised on a straight line basis over five years. Poker machine licences are initially recognised at the purchase price paid. Poker machine licences are not amortised as they do not have a finite useful life.

Intangibles are tested annually for impairment and carried at cost less accumulated impairment losses where applicable.

Goodwill

Goodwill is carried at cost, and on an annual basis, the company assesses whether the long term value of the asset has been impaired. Goodwill is deemed to be impaired if and only if there is objective evidence of impairment as the result of the occurrence at one or more events (a loss event), which has an impact on the estimated future cash flows of the asset.

Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Investments

Investments brought to account are at cost or at valuation. The carrying amount of investments is reviewed annually to ensure it is not in excess of the recoverable amount of the investments.

Investment Property

Investment property, comprising rental properties (but excluding the motel) is held to generate long-term rental yields. All tenant leases are on an arm's length basis. Investment property is carried at cost, fair value, or directors' valuation.

MUSWELLBROOK R S L SUB BRANCH CLUB LTD
ABN 16 000 992 012

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
2 REVENUE AND OTHER INCOME		
Revenue		
Revenue from Sales		
- bar	1,199,407.05	808,011.48
- poker machine	4,355,741.49	3,610,078.63
- dining	264,720.80	305,470.46
- course	282,104.03	268,264.52
Total Revenue	6,101,973.37	4,991,825.09
Other Income		
- COVID -19 benefits	-	178,225.45
- golf course grant funding	-	133,882.50
- profit on disposal of plant and equipment	422.58	431.09
- commissions	210,868.43	154,082.12
- members subscriptions	155,165.63	132,524.53
- sundry income	165,101.42	71,139.65
Total Other Income	531,558.06	670,285.34
3 PROFIT FOR THE YEAR		
Expenses		
Employee Benefits Expense		
- wages	1,963,080.32	1,859,089.37
- contributions to defined contribution superannuation funds	201,303.71	173,932.22
- fringe benefit tax	6,092.61	6,113.29
Total Employee Benefits Expense	2,170,476.64	2,039,134.88
Depreciation and Amortisation		
- land and building	273,752.42	262,941.72
- motor vehicle	22,298.00	23,071.00
- furniture and equipment	421,617.82	402,991.32
- poker machines	215,900.00	189,096.00
Total Depreciation and Amortisation	933,568.24	878,100.04
Auditor Remuneration		
- audit services	15,500.00	15,000.00
- other taxation and accountancy services	31,500.00	30,000.00
Total Auditor Remuneration	47,000.00	45,000.00
Finance Costs		
- imputed lease interest	3,298.50	5,693.00
- interest expense	4,023.83	2,539.90
Total Finance Costs	7,322.33	8,232.90

MUSWELLBROOK R S L SUB BRANCH CLUB LTD
ABN 16 000 992 012

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
4 CASH AND CASH EQUIVALENTS		
Cash on Hand	251,000.00	241,000.00
Current Account	888,121.21	1,378,353.23
Poker Machine Cheque Account	60,506.07	20,172.18
Keno Accounts	118,505.21	263,240.10
Term Deposits - TAB	14,528.45	14,448.39
TAB Cheque Account	99,525.33	171,160.54
Online Saver Account	94.70	364,178.50
CardIT Account	27,926.46	17,712.74
Term Deposit	1,000,000.00	-
	<u>2,460,207.43</u>	<u>2,470,265.68</u>
TAB Limited has a security deposit guarantee of \$5,000 over the TAB Term Deposit.		
5 TRADE AND OTHER RECEIVABLES		
Sundry Trade and Other Debtors	53,956.66	56,203.84
Other Debtor	19.39	341.80
	<u>53,976.05</u>	<u>56,545.64</u>
6 INVENTORIES		
Stock on Hand Bar (at Cost)	64,524.98	53,684.47
Stock on Hand Restaurant (at Cost)	-	4,118.51
	<u>64,524.98</u>	<u>57,802.98</u>
7 OTHER ASSETS		
Accrued Income	15,486.00	-
Prepayments	203,037.69	154,110.25
Deposit – Capital Purchase	-	40,454.54
	<u>218,523.69</u>	<u>194,564.79</u>
8 INVESTMENTS		
Non-Current		
Shares in Listed Companies (at Cost)	1,002.14	1,002.14
Shares in Unlisted Companies (at Cost)	750.00	750.00
	<u>1,752.14</u>	<u>1,752.14</u>

MUSWELLBROOK R S L SUB BRANCH CLUB LTD
ABN 16 000 992 012

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
9 PROPERTY, PLANT AND EQUIPMENT		
Land Buildings and Improvements		
Tennis Court - at Cost	29,536.25	29,536.25
Clubhouse Land - at Cost	433,000.00	433,000.00
Land 105 Bridge Street - at Cost	406,728.69	406,728.69
Buildings 105 Bridge Street - at Valuation 14/09/2010	750,000.00	750,000.00
Less: Accumulated Depreciation	<u>(243,903.00)</u>	<u>(225,153.00)</u>
	506,097.00	524,847.00
Clubhouse Building and Improvements - at Cost	9,705,831.26	9,617,811.90
Less: Accumulated Depreciation	<u>(4,318,887.00)</u>	<u>(4,094,581.00)</u>
	5,386,944.26	5,523,230.90
Bowling Green and Grounds at - Cost	350,186.58	350,186.58
Less: Accumulated Depreciation	<u>(135,172.00)</u>	<u>(126,127.00)</u>
	215,014.58	224,059.58
Property 1A St. Heliers Street - at Cost	261,483.80	261,483.80
Less: Accumulated Depreciation	<u>(158,249.18)</u>	<u>(154,015.90)</u>
	103,234.62	107,467.90
Motor Vehicles - at Cost	151,251.63	151,251.63
Less: Accumulated Depreciation	<u>(81,556.00)</u>	<u>(59,258.00)</u>
	69,695.63	91,993.63
Furniture and Plant - at Cost	4,528,897.16	4,478,921.27
Less: Accumulated Depreciation	<u>(4,082,725.30)</u>	<u>(3,979,527.03)</u>
	446,171.86	499,394.24
Poker Machines and Equipment - at Cost	2,316,355.31	1,908,195.81
Less: Accumulated Depreciation	<u>(1,558,142.00)</u>	<u>(1,366,254.00)</u>
	758,213.31	541,941.81
Motel Furniture and Plant - at Cost	132,945.79	124,596.83
Less: Accumulated Depreciation	<u>(86,853.19)</u>	<u>(77,348.11)</u>
	46,092.60	47,248.72
Motel Furniture and Plant - at Valuation 14/9/2010	37,500.00	37,500.00
Less: Accumulated Depreciation	<u>(36,900.00)</u>	<u>(36,730.00)</u>
	600.00	770.00
Golf Club Property - at Fair Value 29/06/2019	875,000.00	875,000.00
Golf Club Upgrade - at Cost	2,171,250.18	2,078,974.14
Less: Accumulated Depreciation & Amortisation	<u>(522,015.00)</u>	<u>(299,703.00)</u>
	1,649,235.18	1,779,271.14

These notes form part of the financial statements.

MUSWELLBROOK R S L SUB BRANCH CLUB LTD
ABN 16 000 992 012

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
Golf Club Improvements – at Cost	167,018.57	167,018.57
Less: Accumulated Depreciation	<u>(25,574.00)</u>	<u>(20,008.00)</u>
	141,444.57	147,010.57
Right of Use Assets	459,098.09	459,098.09
Less: Accumulated Depreciation	<u>(403,959.53)</u>	<u>(373,357.39)</u>
	55,138.56	85,740.70
Golf Club Plant and Equipment at Fair Value and Cost	1,367,989.53	1,330,417.34
Less: Accumulated Depreciation	<u>(827,877.71)</u>	<u>(708,274.16)</u>
	540,111.82	622,143.18
Total Property, Plant and Equipment	<u>11,662,258.93</u>	<u>11,939,384.31</u>

Aggregate depreciation and amortisation allocated during the year are recognised as expenses.

Movements in Carrying Amounts

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

	Clubhouse			
2023	Buildings and	Furniture and	Poker Machines	and Equipment
	Improvements	Plant	and Equipment	and Equipment
Balance at the Beginning of the Year	5,523,230.90	499,394.24	541,941.81	541,941.81
Additions at Cost	88,019.36	50,347.89	408,159.50	408,159.50
Disposals	-	-	-	-
Transfers	-	-	-	-
Depreciation Expense	<u>(224,306.00)</u>	<u>(103,570.27)</u>	<u>(191,888.00)</u>	<u>(191,888.00)</u>
Carrying Amount at End of Year	<u>5,386,944.26</u>	<u>446,171.86</u>	<u>758,213.31</u>	<u>758,213.31</u>
		Bowling Green	Property, Plant	and Equipment
		And Grounds	and Equipment	and Equipment
2023	Motor Vehicles	And Grounds	and Equipment	and Equipment
Balance at the Beginning of the Year	91,993.63	224,059.58	1,729,894.45	1,729,894.45
Additions at Cost	-	-	40,565.80	40,565.80
Disposals	-	-	(2,849.61)	(2,849.61)
Transfers	-	-	-	-
Depreciation Expense	<u>(22,298.00)</u>	<u>(9,045.00)</u>	<u>(155,915.69)</u>	<u>(155,915.69)</u>
Carrying Amount at End of Year	<u>69,695.63</u>	<u>215,014.58</u>	<u>1,611,694.95</u>	<u>1,611,694.95</u>
	1A St. Heliers	Motel Furniture	Golf Course	
	Street	and Plant	Upgrade	
2023	Street	and Plant	Upgrade	
Balance at the Beginning of the Year	107,467.90	48,018.72	1,779,271.14	1,779,271.14
Additions at Cost	-	8,348.96	92,276.04	92,276.04
Disposals	-	-	-	-
Transfers	-	-	-	-
Depreciation & Amortisation Expense	<u>(4,233.28)</u>	<u>(9,675.00)</u>	<u>(222,312.00)</u>	<u>(222,312.00)</u>
Carrying Amount at End of Year	<u>103,234.62</u>	<u>46,692.68</u>	<u>1,649,235.18</u>	<u>1,649,235.18</u>

MUSWELLBROOK R S L SUB BRANCH CLUB LTD
ABN 16 000 992 012

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
Core and Non-Core Property		
In accordance with provisions under Section 41J(2) of the Registered Clubs Act the directors have classified the following assets as core property of the company:		
- Clubhouse land, buildings and improvements at 113 Bridge Street, Muswellbrook NSW 2333; and		
- Golf Club land, building and improvements at Bell Street, Muswellbrook NSW 2333		
RIGHT OF USE ASSETS		
The Club's lease portfolio includes land leased at the Golf Club site from Muswellbrook Shire Council and NSW Department of Lands. These leases have an average of 20 years as their lease term.		
AASB 16 Related Amounts Recognised in the Balance Sheet		
Right of Use Assets		
Leased Property:		
Recognised on initial application of AASB 16	459,098.09	459,098.09
Depreciation Expense	(403,959.53)	(373,357.39)
Net Carrying Amount	55,138.56	85,740.70
AASB 16 Related Amounts Recognised in the Statement of Profit of Loss		
Depreciation charge related to right of use assets	30,602.14	22,955.00
Interest expense on lease liabilities	3,298.50	5,693.00
Short-term leases expense	5,311.05	8,034.79
Low value asset leases expense	-	-
Total yearly cash outflows for Right of Use Assets leases	19,084.69	10,500.00
10 INVESTMENT PROPERTY		
Property and Improvements 94 Hill St. - at Cost	154,050.75	154,050.75
Less: Accumulated Depreciation	(1,257.00)	(1,092.00)
Total Investment Property	152,793.75	152,958.75
11 INTANGIBLE ASSETS		
Poker Machine Licenses – at Cost	895,480.16	895,480.16
Poker Machine Licences – Golf Club	300,000.00	300,000.00
	1,195,480.16	1,195,480.16
Goodwill – at Cost	580,000.00	580,000.00
Less: Impairment Loss recognised	(237,259.00)	(237,259.00)
	342,741.00	342,741.00
	1,538,221.16	1,538,221.16

MUSWELLBROOK R S L SUB BRANCH CLUB LTD
ABN 16 000 992 012

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
12 TRADE AND OTHER PAYABLES		
Current		
Members Points Unclaimed	17,210.96	17,817.57
Sundry Trade Creditors	403,883.60	615,029.44
Accrued Expenses	61,196.91	48,503.44
Members' Subscriptions in Advance	48,282.53	46,389.07
Income in Advance	14,581.07	14,165.99
GST Payable	81,484.53	107,595.97
Annual Leave Entitlements	173,294.72	168,091.81
Rental Bonds Held	2,000.00	2,000.00
	<u>801,934.32</u>	<u>1,019,593.29</u>
13 BORROWINGS		
Current		
Commonwealth Business Loan	35,401.29	35,401.29
Lease Liabilities	18,721.94	33,715.72
Chattel Mortgage	48,653.40	48,653.40
	<u>102,776.63</u>	<u>117,770.41</u>
Non-Current		
Commonwealth Business Loan	-	-
Lease Liabilities	48,596.42	114,453.96
Chattel Mortgage	36,615.57	79,957.92
	<u>85,211.99</u>	<u>194,411.88</u>
Total Borrowings	<u>187,988.62</u>	<u>312,182.29</u>
<p>Bank debt is secured by first registered mortgages over non-residential properties located 113 Bridge Street Muswellbrook and 105 Bridge Street Muswellbrook, and a first registered mortgage over the whole of the company's assets, and undertakings including uncalled capital. The bank loan has a total redraw facility of \$500,000. As at 30 June 2023 \$464,598.71 was available for redraw.</p> <p>The company holds a chattel mortgage over equipment used to maintain the golf course.</p>		
14 PROVISION FOR INCOME TAX		
Current Tax (Asset)/Liability	<u>(29,021.25)</u>	<u>(81,498.50)</u>
15 PROVISIONS		
Provision for Long Service Leave:		
Balance at the Beginning of the Year	152,243.52	155,216.03
Additional Provisions Raised during Year	5,044.42	11,320.71
Amounts Used	(7,780.23)	(14,293.22)
Balance at the End of the Year	<u>149,507.71</u>	<u>152,243.52</u>
Analysis of Total Provisions		
Current	-	-
Non-Current	149,507.71	152,243.52
	<u>149,507.71</u>	<u>152,243.52</u>

The measurement and recognition criteria relating to employee benefits have been included in Note 1 to these financial statements.

MUSWELLBROOK R S L SUB BRANCH CLUB LTD
ABN 16 000 992 012

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
16 RESERVES		
Asset Revaluation Reserve	-	-
Capital Profits Reserve	33,388.45	33,388.45
	<u>33,388.45</u>	<u>33,388.45</u>

17 RELATED PARTY TRANSACTIONS

The names of persons who were directors of the company during the financial year are set out in the Directors Report. Directors in the course of carrying out their duties at meetings and on other occasions are provided with meals and liquor on a complimentary basis.

The directors of the company are not paid for their services, other than for out of pocket expenses incurred whilst carrying out duties as a director. This is paid to the President as passed at the Annual General Meeting.

All other transactions with Directors are at normal commercial terms and conditions no more favourable than those available to other parties.

Key Management Personnel Compensation

Any person(s) having authority and responsibility for planning, directing, and controlling the activities of the company directly or indirectly, including any directors (whether executive or otherwise) of that company is considered key management personnel.

The totals of remuneration paid to key management personnel of the company during the year are as follows:

Key Management Personnel Compensation	<u>316,625.34</u>	<u>300,981.50</u>
--	-------------------	-------------------

Other Related Party Transactions

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

Relatives of directors employed by the company on normal terms and conditions as follows:

B. Blaikie – D. Egan – K. Egan

B. Adam-Smith – D. Egan – K. Egan

MUSWELLBROOK R S L SUB BRANCH CLUB LTD
ABN 16 000 992 012

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
18 FINANCIAL RISK MANAGEMENT		
The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases.		
Financial Instruments are measured at cost.		
i) Financial Assets		
At the date of this report, cash is the only material financial asset held by the company.		
ii) Financial Liabilities		
The company's financial liabilities consist mainly of accounts payable and loan funding used to raise finance for ordinary operations.		
Financial Assets		
Cash and Cash Equivalents	2,460,207.43	2,470,265.68
Trade and Other Receivables	53,976.05	138,044.14
Total Financial Assets	2,514,183.48	2,608,309.82
Financial Liabilities at Amortised Cost		
Trade and Other Payables	801,934.32	1,019,593.29
Borrowings	187,988.62	312,182.29
Total Financial Liabilities	989,922.94	1,331,775.58

19 CAPITAL EXPENDITURE COMMITMENTS

No new capital commitments have been entered into as at 30 June 2023.

20 COMPANY DETAILS

The registered office and principal place of business of the company is:
 113 Bridge Street, Muswellbrook NSW 2333

Additional place of business is:
 Muswellbrook Golf Club
 Bell Street, Muswellbrook NSW 2333

21 MEMBERS' GUARANTEE

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the company. At 30 June 2023, the number of members was 5,696 (2022: 5,059).

MUSWELLBROOK R S L SUB BRANCH CLUB LTD

ABN 16 000 992 012

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Muswellbrook R S L Sub Branch Club Ltd, the directors of the entity declare that:

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



Director

13 September 2023

Muswellbrook



Davies, Thompson & Wright

ABN 70 340 182 044

CHARTERED ACCOUNTANTS

PARTNERS

Tracey L. Lawler

B.Comm. C.A.

Scott P. Collins

B.Comm./B.Econ. C.A.

60 Brook Street
PO Box 128
Muswellbrook NSW 2333

Phone (02) 6543 2766

Email admin@dtwservices.com.au

Web www.dtwservices.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MUSWELLBROOK R S L SUB BRANCH CLUB LTD ABN 16 000 992 012

Opinion

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

In our opinion, the accompanying financial report of the entity is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the entity's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities 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 entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Muswellbrook R S L Sub Branch Club Ltd, 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.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the entity's annual report for the year ended 30 June 2023 but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.



Davies, Thompson & Wright

ABN 70 340 182 044

CHARTERED ACCOUNTANTS

PARTNERS

Tracey L. Lawler

B.Comm. C.A.

Scott P. Collins

B.Comm./B.Econ. C.A.

60 Brook Street
PO Box 128
Muswellbrook NSW 2333

Phone (02) 6543 2766

Email admin@dtwservices.com.au

Web www.dtwservices.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MUSWELLBROOK R S L SUB BRANCH CLUB LTD ABN 16 000 992 012

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities 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 entity'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 entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.



Davies, Thompson & Wright

ABN 70 340 182 044

CHARTERED ACCOUNTANTS

PARTNERS

Tracey L. Lawler B.Comm. C.A.
Scott P. Collins B.Comm./B.Econ. C.A

60 Brook Street
PO Box 128
Muswellbrook NSW 2333

Phone (02) 6543 2766

Email admin@dtwservices.com.au

Web www.dtwservices.com.au

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MUSWELLBROOK R S L SUB BRANCH CLUB LTD
ABN 16 000 992 012**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the entity to express an opinion on the financial report. We are responsible for the direction, supervision, and performance of the entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Name of Firm: Davies Thompson & Wright
Chartered Accountants

Name of Partner: 
Tracey L Lawler (RCA 346 434)

Address: 60 Brook Street, MUSWELLBROOK NSW 2333

Dated this *14~~th~~* **day of September 2023**