

Wangi Wangi RSL Sub-Branch Club Limited

ABN 20 001 020 784

Annual Report - 31 December 2023

Wangi Wangi RSL Sub-Branch Club Limited

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31 December 2023

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Wangi Wangi RSL Sub-Branch Club Limited
Directors' report
31 December 2023

The directors present their report, together with the financial statements, on the Company for the year ended 31 December 2023.

Directors

The following persons were directors of the Wangi Wangi RSL Sub-Branch Club Limited ("the Club") during the whole of the financial year and up to the date of this report, unless otherwise stated:

Leslie McAllister
John Cizzio
Julie Broadby
Rod Hollingsworth
Gary Cassim
Elizabeth McLachlan
Merveena Oliver (Appointed 17 January 2023)
George Dann (Resigned 18 April 2023)
Leigh Warren (Resigned 16 May 2023)

Objectives

Our objectives as Wangi RSL are to operate a sustainable not-for-profit Company; serving the community as a Club where the location, services and atmosphere make it a favourite place to spend time with friends and family. ***The Club with a View...***

Strategic Objectives

- To improve financial returns to support a modern club operation keeping up to date with trends within the industry;
- Support the returned services personnel and continue the support of memorial functions at the club;
- Encourage the affiliated and sub-clubs to use the Wangi RSL club facilities as the prime venue for their activities;
- Develop and maintain good level of high quality staff;
- Provide ongoing training staff and directors;
- To develop each area of the club to maximise functionally and appeal to members;
- Continue to improve marketing and communication with members and prospective patrons via electronic media;
- Offer excellent value as a venue to relax, enjoy a meal, entertainment or other activities;
- Present a new Club constitution for membership review in 2024 to be finalised by the 2024 AGM;
- Work with caterer to provide a standard of food and presentation expected by members;
- The board to continue to work with the Wangi RSL Sub Branch on upgrade to the building infrastructure;
- Work to Secure long term lease agreement to support building upgrades; and
- The Club Directors to continue to revise visionary plans for the club and its role within the Wangi community.

Financial Objectives

- Ensure the club's long term viability by operating with a positive cash flow to support ongoing operations, investments and future developments.
- Increase our post-Covid operating income from a year-end forecast of \$2.4 million in 2023 to \$2.6 million and beyond in future years.
- Maintain gross bar margins at current levels;
- Having achieved a net profit of \$150,283 in 2023 we are planning for continued growth in all areas.

Principal activities

During the financial year, the principal continuing activities of the Club consisted of the conduct of a Licensed Club.

Changes in the state of affairs

No other significant changes in the nature of the Club's activities occurred during the financial year.

Operating results

The surplus of the Club after providing for income tax amounted to \$150,283 (2022: \$256,980).

Wangi Wangi RSL Sub-Branch Club Limited
Directors' report
31 December 2023

Future developments

- Review the functionality of the kitchen and its operations within the club
- Remodel the dining room area of the club to encourage greater use
- Develop covered area over the Wild Oates area to promote outdoor functions
- Continue to update furniture throughout the club with changing trends
- Car park resurfacing and upgrade
- Continue to work with Lake Macquarie Council to facilitate local community infrastructure

Management Team

The elected Board has the local knowledge of the area and the stamina to drive this commitment for the benefit of all members. The Board is currently supported by a competent Secretary Manager and staff who are focused on the day-to-day operations and on the continuous improvement of the business processes, service and products.

Information on directors

Name: Les McAllister
Title: President
Qualifications: Retired
Experience and expertise: 6 years

Name: John Cizzio
Title: Director
Qualifications: Landscaper
Experience and expertise: 8 years

Name: Julie Broadby
Title: Director
Qualifications: Retired
Experience and expertise: 4 years

Name: Rod Hollingsworth
Title: Director
Qualifications: Civil Construction Supervisor
Experience and expertise: 2 years

Name: Gary Cassim
Title: Director
Qualifications: Lawyer
Experience and expertise: 1 year

Name: Elizabeth McLachlan
Title: Director
Qualifications: Cleaner
Experience and expertise: 1 year and 9 Months

Name: Merveena Oliver (Appointed 17 January 2023)
Title: Director
Qualifications: Disability Support Worker
Experience and expertise: 11 Months

Name: George Dann (Resigned 18 April 2023)
Title: Director
Qualifications: Volunteer
Experience and expertise: 2 years (previous period of 6 years)

Name: Leigh Warren (Resigned 16 May 2023)
Title: Director
Qualifications: Retired
Experience and expertise: 6 years

Wangi Wangi RSL Sub-Branch Club Limited
Directors' report
31 December 2023

Meetings of directors

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:

	Attended	Held
Les McAllister	10	12
John Cizzio	10	12
Julie Broadby	7	12
Rod Hollingsworth	12	12
Gary Cassim	9	12
Elizabeth McLachlan	11	12
Merveena Oliver (Appointed 17 January 2023)	11	12
George Dann (Resigned 18 April 2023)	3	3
Leigh Warren (Resigned 16 May 2023)	4	5

Held: represents the number of meetings held during the time the director held office.

After balance date events

No matters or circumstances have arisen since the end of the financial year which 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.

Contributions on winding up

In the event of the Club being wound up, ordinary members are required to contribute a maximum of \$6 each. Honorary members are not required to contribute.

The total amount that members of the Club are liable to contribute if the Club is wound up is \$23,400, based on 3,900 current ordinary members (2022: \$14,448, based on 2,408 members).

Environmental issues

The Directors believe the Club has complied with all significant environmental regulations under a law of Commonwealth or of a state or territory.

Indemnifying officer or auditor

During the year, the Company effected a Directors & Officer's liability policy. The insurance policy provides cover for the Directors named in this report, the company secretary, officers and former Directors & Officers of the company.

This policy prohibits the disclosure of the nature of the indemnification and the insurance cover, and the amount of the premium.

No indemnities have been given or insurance premium paid, during or since the end of the financial year, for any person who is or has been an auditor of the company

Auditor's independence declaration

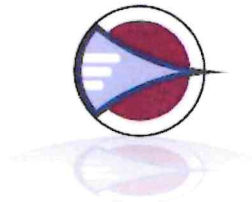
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors


Leslie McAllister
Director

20 February 2024



HEAD OFFICE

Unit 1, 1 Pioneer Avenue
Tuggerah NSW 2259

OFFICES

- Sydney CBD
- Drummoyne
- Erina

BISHOP COLLINS
AUDIT PTY LTD

ABN 98 159 109 305

ALL CORRESPONDENCE

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**INDEPENDENT AUDITOR'S DECLARATION
TO THE MEMBERS OF
WANGI WANGI RSL SUB-BRANCH CLUB LIMITED**

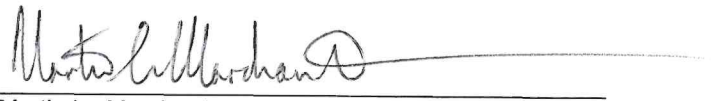
We hereby declare that to the best of our knowledge and belief during the year ended 31 December 2023, there have been:

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

Name of Firm

Bishop Collins Audit Pty Ltd
Chartered Accountants

Name of Registered Company Auditor


Martin Le Marchant

Auditor's Registration No.

431227

Address

Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

Dated

20 February 2024



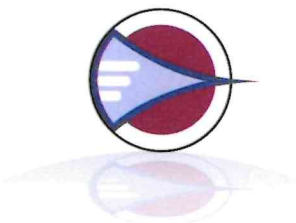
CHARTERED ACCOUNTANTS
AUSTRALIA - NEW ZEALAND

LIABILITY LIMITED BY A SCHEME APPROVED UNDER THE PROFESSIONAL STANDARDS LEGISLATION



Directors: Martin Le Marchant CA
Johan Van Der Westhuizen CA

Associate Directors: Cecille Capucao CA



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

Audit Opinion

We have audited the accompanying financial report of Wangi Wangi RSL Sub-Branch Club Limited ("the Company") which comprises the statement of financial position as at 31 December 2023, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' declaration of the Company.

In our opinion the accompanying financial report of Wangi Wangi RSL Sub-Branch Club Limited is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company's financial position as at 31 December 2023 and of its performance for the year ended on that date; and
- complying with Australian Accounting Standards – Simplified Disclosures (including the Australian Accounting Interpretations) 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 Statements* 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 (the Code) that are relevant to our audit of the financial report in Australia; and we have fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Directors' Responsibilities 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 – Reduced Disclosure Requirements and the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

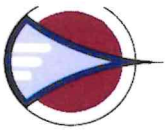


LIABILITY LIMITED BY A SCHEME APPROVED UNDER THE PROFESSIONAL STANDARDS LEGISLATION



Directors: Martin Le Marchant CA
Johan Van Der Westhuizen CA

Associate Directors: Cecille Capucuo CA



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 Company's internal control.
- 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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

Name of Firm

Bishop Collins Audit Pty Ltd
Chartered Accountants

Name of Registered Company Auditor


Martin Le Marchant

Auditor's Registration No.

431227

Address

Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

Dated

20 February 2024

Wangi Wangi RSL Sub-Branch Club Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2023

	Note	2023 \$	2022 \$
Revenue	4	2,858,296	2,641,211
Other income	5	19	16,517
Expenses			
Cost of goods sold		(660,592)	(561,101)
Accounting and audit fees		(20,500)	(25,400)
Advertising and marketing expenses		(6,682)	(6,395)
Employee benefits expense	6	(921,439)	(820,317)
Equipment hire expenses		(2,600)	(2,840)
Depreciation and amortisation expense	22	(305,176)	(260,306)
Entertainment and promotions expenses		(218,030)	(159,943)
Gaming expenses		(48,325)	(48,246)
Insurance expenses		(72,711)	(60,365)
Occupancy expenses		(134,021)	(132,474)
Printing, postage and stationery expenses		(12,597)	(13,005)
Repairs and maintenance expenses		(55,487)	(71,846)
Raffle and bingo expenses		(138,895)	(137,252)
Telephone, internet and computer expenses		(14,987)	(9,305)
Motor vehicle expenses		(13,163)	(12,007)
Other expenses		(59,261)	(56,648)
Finance costs	23	(23,566)	(23,298)
Surplus before income tax expense		150,283	256,980
Income tax expense		-	-
Surplus after income tax expense for the year	21	150,283	256,980
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>150,283</u>	<u>256,980</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Wangi Wangi RSL Sub-Branch Club Limited
Statement of financial position
As at 31 December 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	7	425,158	354,842
Trade and other receivables	8	121,608	92,182
Inventories	9	25,601	24,864
Other	10	39,839	35,013
Total current assets		<u>612,206</u>	<u>506,901</u>
Non-current assets			
Property, plant and equipment	11	682,598	720,032
Right-of-use assets	12	268,712	364,037
Total non-current assets		<u>951,310</u>	<u>1,084,069</u>
Total assets		<u>1,563,516</u>	<u>1,590,970</u>
Liabilities			
Current liabilities			
Trade and other payables	13	159,857	189,704
Borrowings	14	62,732	133,116
Lease liabilities	15	104,639	104,639
Employee benefits	16	49,793	28,556
Other liabilities	17	19,540	18,720
Total current liabilities		<u>396,561</u>	<u>474,735</u>
Non-current liabilities			
Lease liabilities	19	181,565	270,542
Borrowings	18	2,192	20,222
Employee benefits	20	14,410	6,966
Total non-current liabilities		<u>198,167</u>	<u>297,730</u>
Total liabilities		<u>594,728</u>	<u>772,465</u>
Net assets		<u>968,788</u>	<u>818,505</u>
Equity			
Retained surpluses	21	<u>968,788</u>	<u>818,505</u>
Total equity		<u>968,788</u>	<u>818,505</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Wangi Wangi RSL Sub-Branch Club Limited
Statement of changes in equity
For the year ended 31 December 2023

	Retained surpluses \$	Total equity \$
Balance at 1 January 2022	561,525	561,525
Surplus after income tax expense for the year	256,980	256,980
Other comprehensive income for the year, net of tax	-	-
	<u>256,980</u>	<u>256,980</u>
Total comprehensive income for the year	<u>256,980</u>	<u>256,980</u>
Balance at 31 December 2022	<u>818,505</u>	<u>818,505</u>
	Retained surpluses \$	Total equity \$
Balance at 1 January 2023	818,505	818,505
Surplus after income tax expense for the year	150,283	150,283
Other comprehensive income for the year, net of tax	-	-
	<u>150,283</u>	<u>150,283</u>
Total comprehensive income for the year	<u>150,283</u>	<u>150,283</u>
Balance at 31 December 2023	<u>968,788</u>	<u>968,788</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Wangi Wangi RSL Sub-Branch Club Limited
Statement of cash flows
For the year ended 31 December 2023

	Note	2023	2022
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		3,101,129	2,856,968
Payments to suppliers and employees (inclusive of GST)		<u>(2,675,534)</u>	<u>(2,343,036)</u>
		425,595	513,932
Interest received		19	17
Interest and other finance costs paid		<u>(5,385)</u>	<u>(4,166)</u>
Net cash from operating activities	31	<u>420,229</u>	<u>509,783</u>
Cash flows from investing activities			
Payments for property, plant and equipment	11	<u>(172,522)</u>	<u>(234,804)</u>
Net cash used in investing activities		<u>(172,522)</u>	<u>(234,804)</u>
Cash flows from financing activities			
Proceeds from borrowings		51,864	69,000
Prepayments of borrowings		(122,097)	(244,090)
Repayment of leases		<u>(107,158)</u>	<u>(93,973)</u>
Net cash used in financing activities		<u>(177,391)</u>	<u>(269,063)</u>
Net increase in cash and cash equivalents		70,316	5,916
Cash and cash equivalents at the beginning of the financial year		<u>354,842</u>	<u>348,926</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>425,158</u></u>	<u><u>354,842</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Wangi Wangi RSL Sub-Branch Club Limited
Notes to the financial statements
31 December 2023

Note 1. General information

The financial statements cover Wangi Wangi RSL Sub-Branch Club Limited as an individual entity. The financial statements are presented in Australian dollars, which is Wangi Wangi RSL Sub-Branch Club Limited's functional and presentation currency.

Wangi Wangi RSL Sub-Branch Club Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is 271 Watkins Road, Wangi Wangi NSW 2267.

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 20 February 2024. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The accounting policies that are material to the Company are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the 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.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), and the Corporations Act 2001, as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Revenue recognition

The Company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Note 2. Material accounting policy information (continued)

Sale of goods

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

Membership revenue

Membership revenue is recognised on a proportional basis over the period of the membership.

Interest

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

Rent

Rent 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.

Income tax

The mutuality principle has been applied to the income tax calculation of the Club. 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.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amounts of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the company will derive future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

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.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Wangi Wangi RSL Sub-Branch Club Limited
Notes to the financial statements
31 December 2023

Note 2. Material accounting policy information (continued)

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Inventories

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Property, plant and equipment

Land is held at cost. Land is not depreciated.

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

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	20-40 years
Plant and equipment	2-15 years
Motor vehicles	10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

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 depreciated 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 depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement 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.

Impairment of non-financial assets

Other 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 of disposal 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.

Note 2. Material accounting policy information (continued)

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities

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.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Wangi Wangi RSL Sub-Branch Club Limited
Notes to the financial statements
31 December 2023

Note 2. Material accounting policy information (continued)

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 tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 3. Critical accounting judgements, estimates and assumptions

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

Estimation of useful lives of assets

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

Income tax

The Company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on the Company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Employee benefits provision

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates, probability factors and pay increases through promotion and inflation have been taken into account.

Mortality fund

Members of the club who have contributed to the mortality fund are entitled to \$100 payment in the event of their death during the five years following their initial contribution to the fund. The contingent liability occurring as a result of this fund is based on the estimated number of members entitled to this benefit.

Core property lease agreement

On 1 March 2022, a 5 year lease agreement for the land was executed between the Club and the lessor. This lease is due to be re-negotiated in financial year 2027, and is anticipated to again be extended.

Wangi Wangi RSL Sub-Branch Club Limited
Notes to the financial statements
31 December 2023

Note 4. Revenue

	2023	2022
	\$	\$
Bar sales and rebates	1,584,783	1,344,767
Poker machine net clearances	935,723	990,070
Raffles revenue	166,587	147,830
Gaming commissions	85,670	78,314
Membership subscriptions	13,735	13,007
Commissions received	21,338	21,019
Poker machine duty rebate	17,180	17,180
Promotions and other revenue	33,280	29,024
	<u>2,858,296</u>	<u>2,641,211</u>

Note 5. Other income

	2023	2022
	\$	\$
Net gain on disposal of property, plant and equipment	-	16,500
Interest received	19	17
	<u>19</u>	<u>16,517</u>

Note 6. Employee benefits expense

	2023	2022
	\$	\$
Admin	386,062	312,490
Bar	399,971	378,336
Cleaning	50,767	50,495
Courtesy bus	58,361	55,841
Maintenance	26,278	23,155
	<u>921,439</u>	<u>820,317</u>

Note 7. Current assets - cash and cash equivalents

	2023	2022
	\$	\$
Cash on hand and at bank	<u>425,158</u>	<u>354,842</u>

Note 8. Current assets - trade and other receivables

	2023	2022
	\$	\$
Trade receivables	84,768	74,159
Other receivables	36,840	18,023
	<u>121,608</u>	<u>92,182</u>

Wangi Wangi RSL Sub-Branch Club Limited
Notes to the financial statements
31 December 2023

Note 9. Current assets - inventories

	2023	2022
	\$	\$
Stock on hand - at cost	<u>25,601</u>	<u>24,864</u>

Note 10. Current assets - other

	2023	2022
	\$	\$
Prepayments	34,839	30,013
Security deposits	<u>5,000</u>	<u>5,000</u>
	<u>39,839</u>	<u>35,013</u>

Note 11. Non-current assets - property, plant and equipment

	2023	2022
	\$	\$
Land - at cost	<u>88,952</u>	<u>88,952</u>
Leasehold improvements - at cost	613,285	892,438
Less: Accumulated depreciation	<u>(388,087)</u>	<u>(675,133)</u>
	<u>225,198</u>	<u>217,305</u>
Plant and equipment - at cost	1,349,841	1,269,376
Less: Accumulated depreciation	<u>(1,010,150)</u>	<u>(888,699)</u>
	<u>339,691</u>	<u>380,677</u>
Motor vehicles - at cost	40,587	40,587
Less: Accumulated depreciation	<u>(11,830)</u>	<u>(7,489)</u>
	<u>28,757</u>	<u>33,098</u>
	<u>682,598</u>	<u>720,032</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land	Leasehold	Plant and	Motor	Total
	\$	Improvements	Equipment	Vehicles	\$
	\$	\$	\$	\$	\$
Balance at 1 January 2023	88,952	217,305	380,677	33,098	720,032
Additions	-	30,221	142,301	-	172,522
Disposals	-	-	(105)	-	(105)
Depreciation expense	-	(22,329)	(183,181)	(4,341)	(209,851)
Balance at 31 December 2023	<u>88,952</u>	<u>225,197</u>	<u>339,692</u>	<u>28,757</u>	<u>682,598</u>

Wangi Wangi RSL Sub-Branch Club Limited
Notes to the financial statements
31 December 2023

Note 11. Non-current assets - property, plant and equipment (continued)

Core Property and Non-Core Property

As required by the Registered Clubs Act 1976 ("the Act"), No 31 section 41J(2), the Club's core and non-core property is as follows:

Core Property

Lots 113/ DP 8840, 114/ DP 8840, and 115/ DP 8840, Watkins Road, Wangi Wangi - Land and Clubhouse building owned by the Wangi Wangi RSL Sub Branch and leased to the Club.

Non-Core Property

Lots 116/ DP 8840, 117/ DP 8840, and 1181 / DP 1145231, Watkins Road, Wangi Wangi - used for car parking facilities.
 Lot 1182/ DP 1145231, Watkins Road, Wangi Wangi - leased to the Sailing Club.

Land

Land is valued at cost. Market value of land is well in excess of the cost values per an independent assessment performed by a member of the Australian Property Institute, having recent experience in the location and category of the land being valued. The most recent valuation report valued the land comprising Lots 116/ DP 8840, 117/ DP 8840, 1181/ DP 1145231, and 1182/ DP 1145231 at \$1,350,000 at 15 November 2016.

Note 12. Non-current assets - right-of-use assets

	2023 \$	2022 \$
Buildings - right-of-use	277,282	277,282
Less: Accumulated depreciation	<u>(101,255)</u>	<u>(45,790)</u>
	<u>176,027</u>	<u>231,492</u>
Plant and equipment - right-of-use	199,301	199,301
Less: Accumulated depreciation	<u>(106,616)</u>	<u>(66,756)</u>
	<u>92,685</u>	<u>132,545</u>
	<u><u>268,712</u></u>	<u><u>364,037</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land and buildings \$	Plant and equipment \$	Total \$
Balance at 1 January 2023	231,492	132,545	364,037
Depreciation expense	<u>(55,465)</u>	<u>(39,860)</u>	<u>(95,325)</u>
Balance at 31 December 2023	<u><u>176,027</u></u>	<u><u>92,685</u></u>	<u><u>268,712</u></u>

Note 13. Current liabilities - trade and other payables

	2023 \$	2022 \$
Trade payables	54,132	73,727
BAS payable	16,575	11,386
Other payables	<u>89,150</u>	<u>104,591</u>
	<u><u>159,857</u></u>	<u><u>189,704</u></u>

Wangi Wangi RSL Sub-Branch Club Limited
Notes to the financial statements
31 December 2023

Note 14. Current liabilities - borrowings

	2023	2022
	\$	\$
Loan - Premium Funding Insurance	28,341	25,724
Hire purchase	34,391	107,392
	<u>62,732</u>	<u>133,116</u>

Note 15. Current liabilities - lease liabilities

	2023	2022
	\$	\$
Lease liability	<u>104,639</u>	<u>104,639</u>

Note 16. Current liabilities - employee benefits

	2023	2022
	\$	\$
Annual leave	<u>49,793</u>	<u>28,556</u>

Note 17. Current liabilities - Other liabilities

	2023	2022
	\$	\$
Revenue in advance	<u>19,540</u>	<u>18,720</u>

Note 18. Non-current liabilities - borrowings

	2023	2022
	\$	\$
Hire purchase	<u>2,192</u>	<u>20,222</u>

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

	2023	2022
	\$	\$
Hire purchase	<u>36,583</u>	<u>127,614</u>

The hire purchase borrowings are secured by the assets to which they relate including gaming machines.

Note 19. Non-current liabilities - lease liabilities

	2023	2022
	\$	\$
Lease liability	<u>181,565</u>	<u>270,542</u>

Wangi Wangi RSL Sub-Branch Club Limited
Notes to the financial statements
31 December 2023

Note 20. Non-current liabilities - employee benefits

	2023	2022
	\$	\$
Long service leave	14,410	6,966

Note 21. Equity - retained surpluses

	2023	2022
	\$	\$
Retained surpluses at the beginning of the financial year	818,505	561,525
Surplus after income tax expense for the year	150,283	256,980
Retained surpluses at the end of the financial year	968,788	818,505

Note 22. Depreciation

	2023	2022
	\$	\$
Depreciation of property, plant and equipment	209,851	175,153
Depreciation of right-of-use asset	95,325	85,153
	305,176	260,306

Note 23. Interest and finance cost paid

	2023	2022
	\$	\$
Interest expense	5,385	4,166
Interest - lease liability (AASB 16)	18,181	19,132
	23,566	23,298

Note 24. Leasing

Lease payments not recognised as liability

The company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

Note 25. Key management personnel disclosures

Compensation

The aggregate compensation made to members of key management personnel of the Club is set out below:

	2023	2022
	\$	\$
Aggregate compensation	118,808	119,656

Note 26. Contingent liabilities

The Club has a contingent liability in respect of those members who qualify for a payment of \$100 in the event of their death. The number of eligible members at balance date is 48 (2022: 48).

Wangi Wangi RSL Sub-Branch Club Limited
Notes to the financial statements
31 December 2023

Note 26. Contingent liabilities (continued)

	2023 \$	2022 \$
Mortality fund	<u>4,800</u>	<u>4,800</u>

Note 27. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 25.

Transactions with related parties

The Club's main related parties are as follows:

- Directors

The names of the persons who were directors of the Club at any time during the year are as they appear in the attached Director's Report.

There were no transactions with related parties for the year ended 31 December 2023.

Note 28. Members' guarantee

The Club 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 \$6 each towards meeting any outstanding debts and obligations of the company. At 31 December 2022, total members were 3,900 (2022: 2,408).

Note 29. Events after the reporting period

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Note 30. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Bishop Collins Audit Pty Ltd, the auditor of the Company:

	2023 \$	2022 \$
<i>Audit services - Bishop Collins Audit Pty Ltd</i> Audit of the financial statements	<u>18,500</u>	<u>18,000</u>

Wangi Wangi RSL Sub-Branch Club Limited
Notes to the financial statements
31 December 2023

Note 31. Reconciliation of surplus after income tax to net cash from operating activities

	2023	2022
	\$	\$
Surplus after income tax expense for the year	150,283	256,980
Adjustments for:		
Depreciation and amortisation	305,176	260,306
Net loss/(gain) on disposal of property, plant and equipment	105	(16,500)
Change in operating assets and liabilities:		
Increase in trade and other receivables	(29,426)	(42,245)
Decrease/(increase) in inventories	(737)	8,459
Decrease/(increase) in prepayments	(4,826)	2,529
Increase/(decrease) in trade and other payables	(29,027)	33,150
Increase in employee benefits	28,681	7,104
Net cash from operating activities	<u>420,229</u>	<u>509,783</u>

Wangi Wangi RSL Sub-Branch Club Limited
Directors' declaration
31 December 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give 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
- 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 directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Leslie McAllister
Director

20 February 2024