

Braidwood Servicemen's Club Limited
ACN: 001 041 345

Financial Statements

For the Year Ended 30 June 2023

Braidwood Servicemen's Club Limited

ACN: 001 041 345

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For the Year Ended 30 June 2023

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Braidwood Servicemen's Club Limited

ACN: 001 041 345

Directors' Report For the Year Ended 30 June 2023

The Directors present their report on Braidwood Servicemen's Club Limited for the financial year ended 30 June 2023.

Information on directors

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

David Goddard

President from November 2018
Retired

- President - Braidwood Servicemen's Club (5 years)
- Director Braidwood Servicemen's Club (10 years)
- Completed mandatory Director's training

Barry Osmond

Vice President from November 2018
QPRC Programme Coordinator Transport
Construction

- Vice President – Braidwood Servicemen's Club (5 years)
- Director – Braidwood Servicemen's Club (12 years)
- Member of the Braidwood Jockey Club
- Completed mandatory Director's training

Aaron Clarke

Horse trainer

- Director Braidwood Servicemen's Club (10 years)
- Member of Squash and Jockey Club

Michael Toirkens

Essential Energy Braidwood Depot
Resource Supervisor

- Director Braidwood Servicemen's Club (4 years)
- Men's Captain to Golf Club
- Golf club committee member & match committee member
- Life member of Braidwood Rugby Union Club
- Completed mandatory Director's training

Brian Marriott

Retired

- Director Braidwood Servicemen's Club (4 year)
- Member of Braidwood Men's Shed
- Completed mandatory Director's training
- Volunteer Marine Rescue NSW

Melissa Higgins

Queanbeyan Palerang Regional Council
WHS Officer QPRC

- Director Braidwood Servicemen's Club (2 years)
- Member of the Redbacks Sub Club

Barry Hannaford

Businessman, Grazier

- Appointed November 2022
- Director Braidwood Servicemen's Club (1 year)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company secretary

Ms Michelle Griggs became the Club's company secretary as of 30 May 2014.

Braidwood Servicemen's Club Limited

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Directors' Report

For the Year Ended 30 June 2023

Principal activities

The nature of operations and principal activities of the Club during the financial year remained unchanged and were to operate a servicemen's club promoting the games of lawn bowls, golf, squash, and other sporting activities where needed, while running a licenced facility in accordance with all relevant legislation.

The Club is incorporated as a company limited by guarantee in NSW, Australia, having its registered office and principal place of business at 1 Coronation Avenue, Braidwood, NSW.

Club's objectives

The Club's overall objective is to promote the games of lawn bowls, golf, squash, and other sporting activities in the Braidwood district for the welfare of members.

The Club's short term objectives include increasing the level of membership and patronage of the Club, maintaining its overall viability in terms of liquidity, credit control, legislative and regulatory compliance, debt management and financial controls. In the long term, the Club's objectives include asset replacement, strategic capital investment, increased member services and lower dependency on gaming through diversification of facilities and services. This diversification is necessary to ensure the Club is less vulnerable to the impacts of government regulation.

Strategies to meet objectives

The Club is developing a strategic plan to utilise non-core properties to create funds to upgrade the Club's core business. Thus developing the current club house and updating outdoor machinery to allow the Club to supply a facility that is more efficient and reliable to run. The Club is looking to create other income streams, while increasing membership, thus ensuring the long term viability of the Club.

Achievement of objectives

The ongoing improvement in the day to day operations and improving the facilities will assist the Board to deliver the strategic plan.

Performance measures

Financial accounts are presented to the Board monthly and are compared to previous year's figures by the Secretary Manager. The Board and the Secretary Manager then base decision making on the current trend of activities to meet the expectations of the Club's members.

Financial results

The surplus for the year was \$704,064 (2022: \$309,702) after recognising grant income of \$510,216 relating to the construction or purchase of capital items.

Company limited by guarantee

The liability of members is limited. Every member of the Club undertakes to contribute to the assets of the Club in the event of the same being wound up during the time that he or she is a member or within one year afterwards for the payment of the debts and liabilities of the Club contracted before the time at which he/she ceases to be a member and of the costs, charges and expenses of winding up the same and for the adjustment of the rights of the contributories amongst themselves such amount as may be required not exceeding one dollar.

Braidwood Servicemen's Club Limited

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Directors' Report

For the Year Ended 30 June 2023

Significant changes in the state of affairs

There have been no significant changes during the year in the state of affairs of the Club.

Dividends

The Club is a company limited by guarantee and accordingly no shares, debentures or options have been issued by the Club and no dividends have been recommended or paid since the commencement of the financial year.

Directors' benefits

Other than as disclosed below, since the end of the previous financial year, no Director has received or become entitled to receive a benefit, other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the accounts or the fixed salary of a fulltime employee of the Club, by reason of a contract made by the Club or a related corporation with the Director or with a firm of which he/she is a member or with a company in which he/she has a substantial financial interest.

During the year, the Club paid \$1,181 for Management Liability insurance (2022: \$1,181). The liabilities insured against include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers and Directors of the Club in their capacity as officers and Directors of the Club.

It is also noted that;

- There were no occasions where Directors or top executives reported a financial interest in a hotel in NSW;
- There were no other occasions where Directors reported a material personal interest in a matter relating to the Club's affairs;
- There were no grants made out to an affiliated body of the Club in the past 12 months;
- No employees or Directors undertook overseas travel on behalf of the Club during the year;
- No loans were granted to Directors or employees at any stage during the year;
- No close relatives of Directors or top executives received, or became entitled to receive any remuneration during the year;
- No payments equal to or exceeding \$30,000 were paid to any particular consultant during the year;
- The total paid to consultants during the year was \$Nil;
- There was no contract for remuneration approved with a top executive during the year;
- There was no Controlled Contract approved by the Board;
- Total profits made from gaming for the 12 months ended 30 June 2023 were \$550,005;
- The total amount applied to community development and support during the 12 months to 30 June 2023 was \$116,613;
- There were no legal settlements made with any members of the Board or any employees during the year;
- There were no legal fees paid on behalf of the Board or any employees during the year, and;
- No gifts from affiliates or contractors of the Club were received with a total value in excess of \$500.

Braidwood Servicemen's Club Limited

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Directors' Report
For the Year Ended 30 June 2023

Meetings of directors

During the financial year, 10 meetings of Directors (including committees of Directors) were held. Attendances by each Director during the year were as follows:

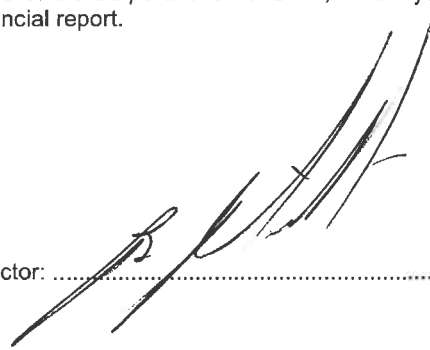
	Directors' Meetings	
	Number eligible to attend	Number attended
David Goddard	10	10
Barry Osmond	10	6
Aaron Clarke	10	6
Michael Toirkens	10	7
Brian Marriott	10	10
Melissa Higgins	10	9
Barry Hannaford	7	6

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2023 has been received and can be found on page 5 of the financial report.

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

Director: 

Director: 

Dated: 10.10.2023

**Auditor's Independence Declaration
Under Section 307C of the Corporations Act 2001 to the Directors of
Braidwood Servicemen's Club Limited**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there have been:

- i. no contraventions of the independence requirements of 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.



Nexia Duesburys (Audit)
Canberra, 10 October 2023

G J Murphy
Partner

Braidwood Servicemen's Club Limited

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

	Note	2023 \$	2022 \$
Revenue			
Revenue from contracts with customers	3	2,089,742	1,423,365
Other income	3	63,521	63,193
		<u>2,153,263</u>	<u>1,486,558</u>
Expenses			
Administration expense		72,375	76,970
Associated club expense		31,080	26,157
Bar cost of sales		306,106	232,188
Club maintenance and running		156,093	153,472
Depreciation		183,223	158,263
Donations and sponsorships		12,923	17,468
Employee costs		432,226	327,187
Finance expense		199	502
Loss on disposal of assets		18,277	-
Member functions and services expense		121,676	90,316
Poker machine operating expense		20,204	24,392
Repairs and maintenance		50,303	37,555
Superannuation		44,514	32,386
		<u>1,449,199</u>	<u>1,176,856</u>
Surplus/(deficit) before income tax		704,064	309,702
Income tax expense	1(a)	-	-
Net surplus/(deficit) for the year		<u>704,064</u>	<u>309,702</u>
Total comprehensive income for the year		<u><u>704,064</u></u>	<u><u>309,702</u></u>

Braidwood Servicemen's Club Limited

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

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	464,307	751,788
Trade and other receivables	5	7,015	2,612
Inventories	6	30,494	27,139
Other financial assets	7	485,643	85,613
Other assets	8	39,372	35,943
TOTAL CURRENT ASSETS		<u>1,026,831</u>	<u>903,095</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	2,050,235	1,560,331
Investment properties	10	661,213	670,123
TOTAL NON-CURRENT ASSETS		<u>2,711,448</u>	<u>2,230,454</u>
TOTAL ASSETS		<u>3,738,279</u>	<u>3,133,549</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	65,062	35,867
Employee benefits	12	57,616	58,762
Financial liabilities	13	-	6,981
Contract liabilities	14	25,931	146,333
TOTAL CURRENT LIABILITIES		<u>148,609</u>	<u>247,943</u>
TOTAL LIABILITIES		<u>148,609</u>	<u>247,943</u>
NET ASSETS		<u>3,589,670</u>	<u>2,885,606</u>
EQUITY			
Retained earnings		<u>3,589,670</u>	<u>2,885,606</u>
TOTAL EQUITY		<u>3,589,670</u>	<u>2,885,606</u>

Braidwood Servicemen's Club Limited

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

2023

	Retained earnings	Total
	\$	\$
Balance at 1 July 2022	2,885,606	2,885,606
Total comprehensive income for the year	704,064	704,064
Balance at 30 June 2023	<u>3,589,670</u>	<u>3,589,670</u>

2022

	Retained earnings	Total
	\$	\$
Balance at 1 July 2021	2,575,904	2,575,904
Total comprehensive income for the year	309,702	309,702
Balance at 30 June 2022	<u>2,885,606</u>	<u>2,885,606</u>

Braidwood Servicemen's Club Limited

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Statement of Cash Flows For the Year Ended 30 June 2023

	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members, guests and others	2,189,853	1,755,149
Payments to suppliers and employees	(1,389,791)	(1,149,093)
Interest received	2,161	2,106
Interest paid	(199)	(502)
Net cash provided by/(used in) operating activities	<u>802,024</u>	<u>607,660</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of plant and equipment (net of trade-ins)	(674,457)	(296,204)
Purchase of investment properties	(8,037)	(670,123)
Payment for investments	(400,030)	-
Proceeds from investments	-	793,639
Net cash provided by/(used in) investing activities	<u>(1,082,524)</u>	<u>(172,688)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of equipment loans	-	(61,746)
Proceeds/(repayments) of borrowings	(6,981)	622
Net cash provided by/(used in) financing activities	<u>(6,981)</u>	<u>(61,124)</u>
Net increase/(decrease) in cash and cash equivalents held	(287,481)	373,848
Cash and cash equivalents at beginning of year	<u>751,788</u>	<u>377,940</u>
Cash and cash equivalents at end of financial year	4 <u><u>464,307</u></u>	<u><u>751,788</u></u>

Braidwood Servicemen's Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

Basis of Preparation

The Club is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia. The financial statements cover the Club as an individual entity.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures, Interpretations of the Australian Accounting Standards Board and *Corporations Act 2001*.

The functional and presentation currency of the Club is Australian dollars. The amounts presented in the financial statements have been rounded to the nearest dollar.

A number of new or revised Australian Accounting Standards are effective for the first time in the current financial year. These standards have had no material impact on the Club.

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Accounting Policies

(a) Income tax

The Club is exempt from income taxation under the relevant provisions of the *Income Tax Assessment Act 1997*.

(b) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received.

(c) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable any accumulated depreciation and impairment losses.

Where a revaluation has been performed, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

The carrying amount of property, plant and equipment is reviewed at the end of the reporting period to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies (continued)

(c) Property, plant and equipment (continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Club and the cost of the item can be measured reliably. All other costs (e.g. repairs and maintenance) are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation reserve and recognised in other comprehensive income. Decreases that offset previous increases of the same class of asset are charged against fair value reserves and recognised in other comprehensive income. All other decreases are charged to the profit or loss.

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

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

Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a straight-line or diminishing value basis from the date that management determine that the asset is available for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings and Improvements	2.5 - 5%
Plant and Equipment	2.5 - 66.67%
Furniture and Fittings	5 - 40%
Motor Vehicles	40%
Poker Machines	14.30%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(d) Investment property

Investment property is held to generate long-term rental yields and capital growth. Investment property is carried at cost less accumulated depreciation and, where applicable, impairment losses. Investment property is depreciated at a rate of 2.5%.

Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies (continued)

(e) Leases

At inception of a contract, the Club assesses whether a contract is, or contains, a lease. A contract is considered to contain a lease if it allows the Club the right to control the use of an identified asset over a period of time in return for consideration.

Where a contract or arrangement contains a lease, the Club recognises a right-of-use asset and a lease liability at the commencement date of the lease.

A right-of-use asset is initially measured at cost, which is the present value of future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations and initial direct costs incurred. Lease assets are depreciated using the straight-line method over the shorter of their useful life and the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and for impairment losses.

Lease liabilities are initially measured at the present value of future minimum lease payments, discounted using the Club's incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate. Minimum lease payments include fixed payments, amounts expected to be paid under a residual value guarantee, the exercise price of purchase options for which the Club is reasonably certain to exercise and incorporate the Club's expectations of lease extension options.

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the lease assets.

Short term leases (lease term of 12 months or less) and leases of low value assets (\$10,000 or less) are recognised as incurred as an expense in the statement of profit or loss and other comprehensive income.

(f) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Club becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Club commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. In most circumstances trade receivables are initially measured at the transaction price.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value or amortised cost using the effective interest rate method. The subsequent measurement depends on the classification of the financial instrument as described below.

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

The effective interest method is used to allocate interest income or interest expense over the relevant period.

Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies (continued)

(f) Financial instruments (continued)

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Despite the above, the Club may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Club may irrevocably elect to present subsequent changes in fair value of an equity instrument in other comprehensive income if certain criteria are met; and
- the Club may irrevocably designate a financial asset that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Impairment of financial assets

The Club recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or at FVTOCI. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

The Club recognises lifetime expected credit losses for trade receivables. The expected credit losses on these financial assets are estimated based on the Club's historical credit loss experience adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the future direction of conditions at the reporting date, including time value of money where appropriate.

Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies (continued)

(g) Impairment of non-financial assets

At the end of the reporting period, the Club reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised in the profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash generating unit (CGU) to which the asset belongs is estimated.

(h) Employee benefits

Provision is made for the Club's liability for employee benefits arising from services rendered by employees to balance date. The benefits expected to be settled within one year to employees for their entitlements have been measured at the amounts expected to be paid including on-costs and are disclosed as current liabilities. Employee benefits payable later than one year are measured at the present value of the estimated future cash outflows to be made in respect of those benefits. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data.

(i) Provisions

Provisions are recognised when the Club has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

(j) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(k) Revenue and other income

Revenue is measured at the amount which the Club expects to receive in consideration for satisfying performance obligations to a customer. A performance obligation is the distinct good or service defined within the contract with a customer. The transaction price is allocated to one or more performance obligations contained within the contract, with revenue being recognised as or when the performance obligation is satisfied.

Timing of Revenue Recognition

Revenue is recognised either at a point in time or over time, when (or as) the Club satisfies performance obligations by transferring the promised goods or services to its customers.

If the Club satisfies a performance obligation before it receives the consideration, the Club recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Revenue from poker machines is the amount of monies collected from the poker machines, net of the amount paid out as winnings to customers and is recognised as revenue at the time of clearance of the funds.

Revenue from the rendering of a service is recognised when or as performance obligations are met, which is generally upon the delivery of the service to the customers.

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies (continued)

(k) Revenue and other income (continued)

Grant revenue that contains specific performance obligations on the use of those funds is recognised as and when the Club satisfies its performance obligations. A contract liability is recognised where grant funds have been received but the Club has not yet satisfied its performance obligations under the funding agreement.

Interest revenue is recognised on an accruals basis using the effective interest rate method.

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

(l) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

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

(m) Comparative amounts

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

Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments 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 Club.

The Directors do not believe that there were any key estimates or judgments used in the development of the financial statements that give rise to a significant risk of material adjustment in the future.

2 Members' Guarantee

The liability of members is limited. Every member of the Club undertakes to contribute to the assets of the Club in the event of the same being wound up during the time that he or she is a member or within one year afterwards for the payment of the debts and liabilities of the Club contracted before the time at which he/she ceases to be a member and of the costs, charges and expenses of winding up the same and for the adjustment of the rights of the contributories amongst themselves such amount as may be required not exceeding one dollar.

Braidwood Servicemen's Club Limited

ACN: 001 041 345

Notes to the Financial Statements

For the Year Ended 30 June 2023

3 Revenue and Other Income

	2023	2022
	\$	\$
Revenue from contracts with customers		
Associated clubs playing fees	59,029	43,694
Bar sales	721,806	524,582
Commissions	23,406	16,156
Function income	10,980	7,709
Grant income	510,216	179,800
Other	11,867	28,024
Poker machine clearances	623,585	520,908
Raffle income	31,377	18,582
Rebates	46,440	36,854
Subscriptions received	51,036	47,056
	<u>2,089,742</u>	<u>1,423,365</u>

Represented by:

Revenue recognised at a point in time	1,469,461	1,151,179
Revenue recognised over time	620,281	272,186
	<u>2,089,742</u>	<u>1,423,365</u>

Other income

Government assistance	-	25,652
Interest income	6,810	2,106
Rent received	56,217	34,835
Other	494	600
	<u>63,521</u>	<u>63,193</u>

4 Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash on hand	50,000	50,000
Cash at bank	414,307	701,788
	<u>464,307</u>	<u>751,788</u>

5 Trade and Other Receivables

	2023	2022
	\$	\$
Current		
Trade and other receivables	7,015	2,612

Braidwood Servicemen's Club Limited

ACN: 001 041 345

Notes to the Financial Statements**For the Year Ended 30 June 2023****6 Inventories**

	2023	2022
	\$	\$
Stock on hand	<u>30,494</u>	<u>27,139</u>

7 Other Financial Assets

	2023	2022
	\$	\$
Term deposits	<u>485,643</u>	<u>85,613</u>

The term deposits have initial terms to maturity of between 4 and 12 months with interest rates between 2.45% to 4.10%.

8 Other assets

	2023	2022
	\$	\$
Prepayments	<u>39,372</u>	<u>35,943</u>

9 Property, Plant and Equipment

	2023	2022
	\$	\$
Freehold land		
At cost	<u>183,685</u>	<u>183,685</u>
Building and improvements		
At cost	1,453,905	1,384,183
Accumulated depreciation	<u>(679,966)</u>	<u>(679,525)</u>
	<u>773,939</u>	<u>704,658</u>
Plant and equipment		
At cost	1,162,623	605,475
Accumulated depreciation	<u>(381,151)</u>	<u>(436,984)</u>
	<u>781,472</u>	<u>168,491</u>
Furniture and fittings		
At cost	212,795	223,894
Accumulated depreciation	<u>(132,767)</u>	<u>(122,530)</u>
	<u>80,028</u>	<u>101,364</u>
Motor vehicles		
At cost	20,000	20,000
Accumulated depreciation	<u>(20,000)</u>	<u>(20,000)</u>
	<u>-</u>	<u>-</u>

Braidwood Servicemen's Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2023

9 Property, Plant and Equipment (continued)

	2023	2022
	\$	\$
Poker machines		
At cost	423,150	363,764
Accumulated depreciation	<u>(192,039)</u>	<u>(139,231)</u>
	231,111	224,533
Work in progress	-	177,600
	<u>2,050,235</u>	<u>1,560,331</u>

Movements in Carrying Amounts

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

	Land	Buildings and Improvements	Plant and Equipment	Furniture and Fittings	Poker Machines	Work in Progress	Total
	\$	\$	\$	\$	\$	\$	\$
Year ended 30 June 2023							
Balance at the beginning of year	183,685	704,658	168,491	101,364	224,533	177,600	1,560,331
Additions	-	81,752	528,745	1,073	62,887	-	674,457
Disposals	-	(7,256)	(8,088)	-	(2,933)	-	(18,277)
Depreciation expense	-	(35,215)	(55,276)	(22,409)	(53,376)	-	(166,276)
Transfer	-	30,000	147,600	-	-	(177,600)	-
Balance at the end of the year	<u>183,685</u>	<u>773,939</u>	<u>781,472</u>	<u>80,028</u>	<u>231,111</u>	<u>-</u>	<u>2,050,235</u>

10 Investment Properties

	2023	2022
	\$	\$
At cost		
Balance at beginning of year	670,123	-
Additions	8,037	670,123
Depreciation expense	<u>(16,947)</u>	<u>-</u>
Balance at end of year	<u>661,213</u>	<u>670,123</u>

11 Trade and Other Payables

	2023	2022
	\$	\$
CURRENT		
Trade creditors and accruals	<u>65,062</u>	<u>35,867</u>

Braidwood Servicemen's Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2023

12 Employee Benefits

	2023	2022
	\$	\$
CURRENT		
Provision for annual leave	32,296	26,920
Provision for long service leave	25,320	31,842
	<u>57,616</u>	<u>58,762</u>

13 Financial Liabilities

	2023	2022
	\$	\$
CURRENT		
Equipment loans	-	4,806
Mortgage loan	-	2,175
	<u>-</u>	<u>6,981</u>

Finance facilities

On 26 May 2014 the Club entered into an agreement to borrow \$175,000 which was partially drawn down and subsequently repaid. The balance at 30 June 2023 was nil (2022: \$2,175).

Equipment loans are related to poker machines. The loans commenced on 15 January 2021 and 15 June 2021 for a period of 12 months with a fixed instalment plan and are interest free.

14 Contract Liabilities

	2023	2022
	\$	\$
CURRENT		
Subscriptions in advance	25,931	25,105
Grants in advance	-	121,228
	<u>25,931</u>	<u>146,333</u>

Braidwood Servicemen's Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2023

15 Financial Instruments

The Club's financial instruments consist mainly of deposits with banks, short term investments and accounts receivable and payable.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments as detailed in the accounting policies to these financial statements, are as follows:

		2023	2022
		\$	\$
Financial Assets			
<i>Financial assets at amortised cost</i>			
Cash and cash equivalents	4	464,307	751,788
Trade and other receivables	5	7,015	2,612
Term deposits	7	485,643	85,613
Total financial assets		956,965	840,013
Financial Liabilities			
<i>Financial liabilities at amortised cost</i>			
Trade creditors and accruals	11	65,062	35,867
Financial liabilities	13	-	6,981
Total financial liabilities		65,062	42,848

16 Key Management Personnel Disclosures

Key management personnel is defined by AASB 124 "Related Party Disclosures" as those persons having authority and responsibility for planning, directing and controlling the activities of the Club, directly or indirectly, including any director of the Club. The aggregate remuneration paid or payable to key management personnel during the financial year was \$105,677 (2022: \$97,595).

In addition to the above remuneration, the Club paid \$1,181 for Management Liability insurance (2022: \$1,181) which includes Directors' and Officers' insurance.

17 Auditor's Remuneration

	2023	2022
	\$	\$
Audit of the financial statements	17,150	16,170
Other audit related services	750	250
Accounting and tax services	2,450	1,498
	20,350	17,918

18 Related Parties

Key management personnel may transact with the Club from time to time on normal terms and conditions that are no more favourable than those available to other members of the Club. The types of transactions involved include gaming and the purchase of food, beverages and membership. The transactions are settled at the time of the transaction, and no amounts are owing to the Club at year end in respect of these transactions. The total value of these transactions is low and is considered by the Club to be insignificant.

Braidwood Servicemen's Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2023

19 Events Occurring After the Reporting Date

These financial statements were authorised for issue by the Directors on the date of signing the attached Directors' Declaration. The Board of Directors have the right to amend the statements after they are issued.

There are no events after the reporting period which require amendment of, or further disclosure in, the financial statements.

20 Contingencies

The Club has no contingent assets or contingent liabilities at year end.

21 Core and Non-Core Property

Core Property

Core property, as defined in section 41E of the Registered Clubs Act, is that property which is within the perimeter of the licensed part of the Braidwood Servicemen's Club, bowling greens, nine hole golf course, located at 1 Coronation Ave, Braidwood NSW 2262.

Non-Core Property

The following is a listing of non-core property, as defined in section 41E of the Registered Clubs Act, held by Braidwood Servicemen's Club:

- Investment property at 4A Victory St, Braidwood NSW 2262
- Investment property at 6 Victory St, Braidwood NSW 2262
- Other land owned by the Club that is not used for the purposes of the golf course

Braidwood Servicemen's Club Limited

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Directors' Declaration

The directors of the Club declare that:

1. The financial statements and notes, as set out on pages 6 to 21, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosures; and
 - b. give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Club.
2. In the directors' opinion, there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director 

Director 

Dated 10.10.2023.

Independent Auditor's Report To the Members of Braidwood Servicemen's Club Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Braidwood Servicemen's Club Limited (the Club), which comprise 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 statements of Braidwood Servicemen's Club Limited are in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Club'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 – Simplified Disclosures and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibility for the audit of the financial statements section of our report. We are independent of the Club in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial statements in Australia. We have also 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 for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information in the Club's directors' report for the year ended 30 June 2023, but does not include the financial statements and the auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 the other information we are required to report that fact. We have nothing to report in this regard.

Audit. Tax. Advisory.

Directors' responsibility for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the Club'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 Club or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 the financial statements.

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



Nexia Duesburys (Audit)
Canberra, 10 October 2023

G J Murphy
Partner