

Yass Soldiers' Club Limited



Annual Report & Financial Statements 2022 - 2023

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

A Company Limited by Guarantee and Not Having Share Capital

ANNUAL GENERAL MEETING

NOTICE

Notice is hereby given that the fifty-first Annual General Meeting of the Yass Soldiers' Club Limited will be held at the Registered Office of the Club, 86 Meehan Street, Yass on Thursday 23rd November, 2023 at 7.30pm.

BUSINESS

1. To confirm minutes of previous Annual General Meeting held on 24th November, 2022.
2. To receive, consider and adopt the Reports of the Directors and the Statement of Comprehensive Income for the year ended 30th June, 2023, the Statement of Financial Position at that date and the Auditors' Report thereon.
3. To complete the election of a Committee for the ensuing two years in accordance with the Articles of Association of the Company.
4. To deal with any other business of which due notice has been given.
5. To transact any other business that may be brought forward in accordance with the Articles of Association of the Company.

By order of the Board

Dated at Yass
26th October, 2023

R. Packwood
Secretary

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152
PRESIDENT'S REPORT

Dear Members

I am pleased to present my report to our members for the 2023 financial year of the Yass Soldiers Club. With a full year of trading the Club posted an outstanding result of \$1,110,538. The capital expenditure figure was \$538,596, whilst the annual building improvements total was \$225,068 and finally the repairs and maintenance total amounted to \$72,805.

The benefits returned to members for the year amounted to \$366,392, up by \$115,560 on last year.

For the year our donations totalled \$80,169.

Over the course of the year the Club was well patronised with people wanting to get back out into the community and begin socialising again. I thank all members for getting back out and supporting us after a challenging few years. The Club is in a strong financial position, with no debt the Club is set to embark on its long-awaited renovation, this will further improve member facilities and provide a much better community venue. Works involve the renovation of the entire Club, from the entrance to the rear of the venue, including the auditorium, and are required to better house services we offer to members.

It will be a challenging but rewarding exercise; the venue requires significant and costly upgrades to accommodate the works and regulatory requirements, and this will undoubtedly involve some disruption to normal services, however, it will deliver a state-of-the-art facility once finished.

We all should be extremely happy with our result this financial year.

This result would not have been achievable without the combination of hard work and your support during the last twelve months. A big thanks to all our staff that weathered the pandemic, it was a challenging time and one we hope not to incur again soon.

Thank you to our General Manager, Robert Packwood, for leading the Club and team, managing the Club efficiently through the pandemic to the excellent trading result achieved this year.

Thanks, must also be issued to the team on the Board whose broad range of skills, experience and knowledge has only gone to help create an exceptional governing body, one I am very proud to be a part of. Of course, none of this would be possible without the ongoing support and patronage of you the member.

Thank you for your contribution, without you we would not be where we are today. To close, once again a big thanks to all our members for your support, it is down to you that your Club continues to grow from strength to strength.

We have a fantastic Club with awesome facilities, and some very exciting changes to come in the following twelve months.



Ross Webster
President

26th October, 2023

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

REPORT OF THE DIRECTORS

Your Directors present their report on the company for the year ended 30th June 2023.

DIRECTORS

The names of the Directors in office at any time during or since the end of the year are:

Mr R Webster	Mr M J Valencic
Mr M P McManus	Mrs A Tilley
Mr A J B Douglas	Mr D O'Brien
Mrs C L Swaffield	Mrs C Blyss
Mr T Clayton	Mr W J Nesbitt
Mr C B Medway	

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

COMPANY SECRETARY

The following person held the position of company secretary at the end of the financial year:

Mr Robert Packwood was appointed company secretary on 25th November 2013 on his commencement as General Manager of the Club.

PRINCIPAL ACTIVITIES

The principal activities of the Club for the financial year were those of a Licensed Club and no significant change in the nature of those activities has taken place during that period.

OPERATING RESULTS

The operating profit after income tax amounted to \$1,110,538

DIVIDENDS

By its Memorandum and Articles of Association the Club is not permitted to declare dividends.

REVIEW OF OPERATIONS

The Club's financial statements record a net operating profit before tax of \$1,110,538 compared with a profit of \$1,106,288 for the previous year.

During the year the Club incurred capital expenditure on gaming machines and plant and equipment of \$538,596, expenditure on building improvements of \$225,068 and expenditure on repairs and maintenance of \$72,805

SIGNIFICANT CHANGES

No significant changes in the state of affairs of the Company occurred during the year.

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

REPORT OF THE DIRECTORS (CONTINUED)

AFTER BALANCE DATE EVENTS

No matters have arisen since balance date that have or may have significant effect on the operation of the Club, the results of those operations or the state of affairs of the Club in subsequent financial years.

SHORT-TERM AND LONG-TERM OBJECTIVES AND STRATEGIES

The short-term and long-term objectives of the company are to operate a licensed club for the benefit of its members. The company follows industry best practice for the management of the Club's operations, and for reviewing the Club's performance.

CORE AND NON-CORE ASSETS

In accordance with Section 41J of the Registered Clubs Act, the Club's property assets are classified as follows:

Core property: The land and building comprising the Club's licensed premises located at 88 Meehan Street, Yass NSW.

Non-core property: The residential property located at 78 Meehan Street, Yass NSW.

INFORMATION ON DIRECTORS

R.P. Webster	President - Retired. Elected to the Board on 18 December, 2014.
M.P. McManus	Vice President - Technical Officer. Elected to the Board on 12 November, 1996.
A. J. B. Douglas	Pharmacist. Elected to the Board on 31 July, 2017.
M.J. Valencic	Accountant. Elected to the Board on 31 October, 2013.
C. L. Swaffield	Lawyer. Elected to the Board on 27 June 2022.
C.L. Blyss	Real Estate. Elected to the Board on 24 August, 2020.
A. Tilley	Corporate Projects Officer. Elected to the Board on 24 January 2022.
D O'Brien	Retired. Elected to the Board on 26 September 2022.
T. Clayton	Communications Contractor. Elected to the Board on 26th June 2023
W.J. Nesbitt	Immediate Past President - Retired. Resigned on 25 July 2022
C.B. Medway	Businessman. Resigned on 24 April 2023

YASS SOLDIERS' CLUB LIMITED
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REPORT OF THE DIRECTORS (CONTINUED)

DIRECTORS' MEETING ATTENDANCES

	DIRECTORS' MEETINGS		
	Number eligible to attend	Number attended	Number of apologies
Mr R. P. Webster	12	12	-
Mr A .J. B. Douglas	12	11	1
Mr M. P. McManus	12	10	2
Mr. D. O Brien	10	10	-
Mr M. J. Valencic	12	11	1
Mr T. Clayton	2	2	-
Mrs C. Blyss	10	7	3
Mrs A. Tilley	12	11	1
Mrs C. Swaffield	10	6	4
Mr W. J. Nesbitt	1	-	1
Mr. C. Medway	10	5	5

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration has been received for the year ended 30th June, 2023 and can be found on page 6 of this financial report.

Signed in accordance with a resolution of the directors.



R. P. Webster
Director



M. P. McManus
Director

Yass
26th October, 2023

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF YASS SOLDIERS' 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 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.

GREGORY & McCARTHY
Chartered Accountants



P H Twohill
Director

75 Lead Street, Yass.
26th October, 2023

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30th June, 2023 and of the performance for the year ended on that date;
2. in the directors' opinion there are reasonable grounds to believe that the company 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 for and on behalf of the directors by:



R. P. Webster
Director



M. P. McManus
Director

Yass
26th October, 2023

YASS SOLDIERS' CLUB LIMITED
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IMPORTANT INFORMATION FOR CLUB MEMBERS

The reporting period for the Yass Soldiers' Club Limited (serial number 244504) is year ended 30th June 2023.

1 Important Notes

The Registered Club Act defines top executive as being an employee of the Club with total remuneration exceeding \$100,000.

2 Disclosure of Interests of Directors and Employees in Contracts with the Club

Club members may inspect the original of these disclosures and declarations by making written application to the Secretary.

The Registered Club Act requires directors who have material personal interest in matters that relate to the affairs of the Club to declare the interest at a Board meeting and display the declaration on the Club's notice board.

A contract is any commercial arrangement whether written or not.

In the reporting period there were no occasions when a director reported a material personal interest in a matter that related to the affairs of the Club.

3 Interest in Hotels

Club members may inspect the original of these disclosures and declarations by making written application to the Secretary.

In the reporting period there were nil occasions when directors reported an interest in a hotel in NSW.

In the reporting period there were nil occasions when top executives reported an interest in a hotel in NSW.

4 Gifts to Directors and Staff

Club members may inspect the original of these disclosures and declarations by making written application to the Secretary.

An affiliated body of the Club includes subsidiary clubs, and any body which the Club made a grant to within the previous 12 months.

A gift includes money, hospitality, or discounts.

A gift valued at more than \$500 must be disclosed; gifts from contractors must be disclosed if they total more than \$500 from an individual contractor in the reporting period.

4.1 Directors

In the reporting period a director there were nil occasions when directors of the Club reported receiving gifts from affiliated bodies.

In the reporting period there were nil occasions when directors of the Club reported receiving gifts from contractors.

YASS SOLDIERS' CLUB LIMITED
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IMPORTANT INFORMATION FOR CLUB MEMBERS (CONTINUED)

4.2 *Employees*

In the reporting period there were nil occasions when top executives of the Club reported receiving gifts from affiliated bodies.

In the reporting period there were nil occasions when top executives of the Club reported receiving gifts from contractors.

4.3 *Value of Gifts*

The total value of all gifts that directors and top executives received from the club or affiliated bodies in the reporting period was nil.

The total value of all gifts that directors and top executives received from contractors in the reporting period was nil.

5 **Top Executives**

In the reporting period one top executive received total remuneration above \$100,000.

6 **Contracts Approved by the Board**

The Registered Club Act defines a controlled contract as being a Club contract:

- in which a director or top executive has a pecuniary interest;
- of employment of a top executive of the Club;
- for provision of professional advice relating to significant change of management structure or governance of the Club; significant change to the financial management of the Club, disposal of land, and the amalgamation of the Club.

During the reporting period no controlled contracts were approved by the Board that needed to be forwarded to the Director of Liquor and Gaming of which:

- nil such contracts related to contracts in which a director or top executive has a pecuniary interest.
- nil such contracts related to contracts of employment of the Club's top executives.
- nil such contracts related to the provision of professional advice.

These contracts fall into the following categories:

- significant change of management structure or governance of the Club.
- significant changes to the financial management of the Club.
- disposal of Club land.
- amalgamation of the Club.

YASS SOLDIERS' CLUB LIMITED
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IMPORTANT INFORMATION FOR CLUB MEMBERS (CONTINUED)

7 Employees Related to Directors and Top Executives

A close relative is defined in Section 41B of the Registered Club Act and includes the immediate family.

In the reporting period, the Club employed 3 people who are close relatives of a top executive of the Club and 1 employee who is a close relative of a director. Normal pay rates applied to the hours worked by these employees. The club did not employ any other persons who were a close relative of a director or a top executive of the club.

8 Payments to Consultants

During the reporting period there were no instances where the Club engaged a consultant other than payments made in connection with proposed building renovations.

9 Details of Settlements Paid by the Club

In the reporting period there were no instances where the Club made a legal settlement with either a director or staff member.

10 Legal Fees Paid by the Club

In the reporting period there were no instances where the Club paid legal fees for directors and employees except for legal fees which have been paid as a part of recruitment.

11 Gaming Machine Profit

Gaming machine profit is defined in the Gaming Machines Tax Act.

The reporting period is the financial year ending 30 November 2022 for the purposes of the Act.

The Club recorded a gaming machine profit of \$4,098,206 in the reporting period inclusive of GST.

12 Amount Paid to Community Development

Clubs earning in excess of \$1,000,000 p.a. in gaming machine profit are required to make donations to community development and support.

In the reporting period the Club's donations exceeded the required amount under the community development guidelines.

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
YASS SOLDIERS' CLUB LIMITED

Opinion

We have audited the accompanying financial report of Yass Soldiers' Club Limited (the company) which comprises the statement of financial position as at 30th June, 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the financial report of Yass Soldiers' Club Limited is in accordance with the Corporations Act 2001, including:-

- (i) giving a true and fair view of the company's financial position as at 30th June, 2023 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

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

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility 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 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 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.

YASS SOLDIERS' CLUB LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
YASS SOLDIERS' CLUB LIMITED (CONTINUED)

Auditor's Responsibility 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. 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.

GREGORY & McCARTHY

Chartered Accountants



P H Twohill

Registered Company Auditor

75 Lead Street, Yass.

26th October, 2023

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

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

	Note	2023 \$	2022 \$
Revenue from bar trading, raffles and restaurant		3,318,941	2,522,991
Cost of sales		<u>(1,625,984)</u>	<u>(1,282,434)</u>
Gross profit - bar trading and restaurant		1,692,957	1,240,557
Gaming machine net takings		3,686,920	3,145,824
Other revenue from ordinary activities		173,285	157,839
Other income; Profit on disposal, Increase in Market Value of Investments		67,865	197,799
Covid 19 Australian Government Support		48,870	117,560
Gaming machine taxes, license fees and maintenance		(762,977)	(609,611)
Employee expenses		(2,202,504)	(1,769,761)
Depreciation expense		(454,499)	(425,243)
Member expenses		(366,392)	(250,832)
Other operating expenses		(772,987)	(697,844)
Profit from ordinary activities before income tax	2	<u>1,110,538</u>	<u>1,106,288</u>
Income tax attributable to operating profit	3	<u>-</u>	<u>-</u>
Operating profit after income tax		<u>1,110,538</u>	<u>1,106,288</u>

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

	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July, 2021	8,830,801	1,839,827	10,670,628
Profit after tax attributable to the entity	1,106,288	-	1,106,288
Balance at 30 June, 2022	<u>9,937,089</u>	<u>1,839,827</u>	<u>11,776,916</u>
Profit after tax attributable to the entity	1,110,538	-	1,110,538
Balance at 30 June, 2023	<u><u>11,047,627</u></u>	<u><u>1,839,827</u></u>	<u><u>12,887,454</u></u>

The accompanying notes form part of these financial statements

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2023

	Note	2023 \$	2022 \$
CURRENT ASSETS			
Cash	5	6,008,874	5,316,755
Other Debtors and Prepayments	6	231,627	70,063
Inventories	7	184,465	164,133
TOTAL CURRENT ASSETS		6,424,966	5,550,951
NON-CURRENT ASSETS			
Property, plant and equipment	10	6,141,108	5,837,897
Investment property	11	649,134	585,000
Intangible Assets	12	799,489	799,489
TOTAL NON-CURRENT ASSETS		7,589,731	7,222,386
TOTAL ASSETS		14,014,697	12,773,337
CURRENT LIABILITIES			
Creditors and borrowings	8	484,976	575,540
Provisions	9	179,684	175,147
TOTAL CURRENT LIABILITIES		664,660	750,687
NON - CURRENT LIABILITIES			
Borrowings	8	407,080	208,020
Provisions	9	55,503	37,714
TOTAL NON - CURRENT LIABILITIES		462,583	245,734
TOTAL LIABILITIES		1,127,243	996,421
NET ASSETS		\$12,887,454	\$11,776,916
 ACCUMULATED FUNDS		 \$12,887,454	 \$11,776,916

The accompanying notes form part of these financial statements

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2023

	Note	2023	2022
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members and visitors		7,523,264	6,356,486
Payments to suppliers and employees		(6,276,242)	(4,895,505)
Interest received		15	4
Net cash provided by operating activities	13	1,247,037	1,460,985
CASH FLOW FROM INVESTING ACTIVITIES			
Building improvements		-	-
Building renovations		(225,068)	(69,020)
Purchase of plant and equipment		(200,224)	(123,768)
Purchase of gaming machines		(338,372)	(597,692)
Purchase of gaming machine entitlements		-	-
Proceeds from disposal of assets		9,686	83,900
Net cash used in investing activities		(753,978)	(706,580)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from finance contract - Aristocrat		298,872	249,624
Repayment of borrowings and finance contracts		(99,812)	(41,604)
Net Cash provided/(used in) financing activities		199,060	208,020
NET INCREASE IN CASH HELD		692,119	962,425
CASH AT START OF YEAR		5,316,755	4,354,330
CASH AT END OF YEAR		\$6,008,874	\$5,316,755

The accompanying notes form part of these financial statements

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2023

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES

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

The financial report is a general purpose report which has been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board.

The following is a summary of the significant accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of Preparation

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

(b) Property, Plant and Equipment

Property, plant and equipment are included at cost or at independent valuation. All fixed assets, including buildings but excluding freehold land, are depreciated over their estimated useful lives commencing from the time the asset is held ready for use. The depreciation rates for each class of assets are as follows:

	Depreciation Rate
Buildings	1.50%
Gaming Machines - Poker Machines	25% - 40%
Plant and equipment	15% - 40%

Land and buildings are shown at fair value based on either external valuations or valuation reviews undertaken by the directors to ensure that the carrying value of land and buildings does not exceed the recoverable amount. Where the carrying amount exceeds the recoverable amount an impairment adjustment is recognised.

(c) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items and application of the mutuality principle. It is calculated using the tax rates that have been enacted by the balance sheet date.

(d) Inventory

Stock on hand is valued at the lower of cost and net realisable value.

(e) Employee Benefits

Provision is made in respect of the Company's liability for annual leave and long service leave including applicable on costs. Long service leave is accrued in respect of employees with more than five years service with the Company.

(f) Superannuation

The Company makes contributions to superannuation funds on behalf of its employees. The company has no legal obligation to cover any shortfall that may occur in the obligation of the funds to provide benefits to employees on retirement.

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2023

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. 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. Receivables and payables in the balance sheet are shown inclusive of GST.

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

(h) Members' Undertaking

The Club was incorporated on 5th April, 1972 and is limited by guarantee. In the event of the company being wound up, every member undertakes to contribute an amount not exceeding Two Dollars(\$2) pursuant to Clause 4 of the Memorandum of Association.

(i) Statement of Cash Flows

For the purpose of the Statement of Cash Flows, cash includes cash on hand and in at call deposits with banks and financial institutions.

(j) Poker Machine Licenses

The Club operates a total of 94 poker machines. Twenty machine entitlements were acquired in 2018 for a cost of \$580,000. Four poker machine entitlements were acquired in 2016 for a cost of \$75,217 and eight machine entitlements were acquired in 2015. The balance comprising 62 entitlements were acquired at no cost in years subsequent to when the club was established. As no consideration was originally paid, an intangible asset for these 62 licences on hand has not been recognised in the Club's statement of financial position.

Although there is an active market for poker machine entitlements, the market is highly regulated and as such this regulation significantly affects the ability to sell such an asset. If the regulator allows the sale of entitlements the estimated current market value is \$61,000 per lot of 3. Poker machine licenses are not amortised as they have indefinite useful lives.

NOTE 2 - SPECIFIC ITEMS

	2023	2022
Operating profit has been determined after:	\$	\$
(a) Crediting as revenue:		
Sales and other trading revenue	7,098,566	5,811,147
Members subscriptions	36,277	17,497
Rent	-	12,954
Interest - other persons	14	3
Covid 19 - Australian Government Support	48,870	161,500
Total revenue	\$7,183,727	\$6,003,101
 Other income		
Profit on sale of plant and equipment	2,865	61,816
Movement in market value of investment property	65,000	135,983
Total other income	\$67,865	\$197,799

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2023

	2023	2022
	\$	\$
NOTE 2 - SPECIFIC ITEMS - Cont'd		
(b) Charging as expense:		
Depreciation of property, plant and equipment	454,499	425,243
Auditor's remuneration:		
- auditing the accounts	18,000	17,000
- other services; assistance with preparation of financial statements and preparation of income tax return	11,500	6,500
Presidents Honorarium	5,000	5,000
Transfers to/(from) provisions:		
- annual leave and sick leave	20,981	2,857
- long service leave	(4,151)	7,203

NOTE 3 - INCOME TAX

Income tax expense varies from the prima-facie tax payable on the operating profit before tax. This is due to the application of the mutuality principle of Clubs whereby tax is assessed on net non-member income and net investment income.

Operating profit before income tax	1,110,538	1,106,288
Income tax at 25.00%	277,635	242,576
Tax effect of:		
Net effect of mutuality principle applied in accordance with taxation regulations and tax losses.	(277,635)	(242,576)
Income tax attributable to operating profit after recoupment of losses	\$ -	\$ -

The company has tax losses carried forward which have not been brought to account as an asset as realisation is not virtually certain.

NOTE 4 - SEGMENT REPORTING

The company's operation involves a single industry segment as a registered club. The operations are confined to the State of New South Wales in Australia.

NOTE 5 - CASH

Cash on hand	195,005	185,005
Cash at bank	5,813,866	5,121,470
Interest Bearing Deposits	3	10,280
	\$6,008,874	\$5,316,755

NOTE 6 - OTHER DEBTORS AND PREPAYMENTS

TAB security deposits	5,000	5,000
ILG Shares	750	750
Prepayments; insurance and other	171,622	9,023
Other debtors	54,255	55,290
	\$231,627	\$70,063

NOTE 7 - INVENTORIES

Bar inventories and poker machine prizes	133,131	116,232
Restaurant	51,334	47,901
	\$184,465	\$164,133

YASS SOLDIERS' CLUB LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2023

	2023	2022
	\$	\$
NOTE 8 - CREDITORS AND BORROWINGS		
Current		
Trade creditors	336,766	293,812
Accrued charges	62,695	145,877
GST payable	91,853	137,378
GST adjustment	(6,338)	(1,527)
	<u>\$484,976</u>	<u>\$575,540</u>
Non - current		
Aristocrat finance contract	407,080	208,020
	<u>\$407,080</u>	<u>208,020</u>
	<u>\$407,080</u>	<u>208,020</u>
 NOTE 9 - PROVISIONS		
Current		
Annual leave	89,942	68,960
Long service leave	9,224	31,166
Link Jackpot	47,874	35,387
Unearned Income - Subscriptions in advance	28,349	35,339
Unearned Income - Gaming Machine Tax rebate	4,295	4,295
	<u>\$179,684</u>	<u>\$175,147</u>
Non - current		
Long service leave	55,503	37,714
	<u>\$55,503</u>	<u>\$37,714</u>
	<u>\$55,503</u>	<u>\$37,714</u>
 NOTE 10 - PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
Freehold Land		
Freehold Land - at Directors' Valuation 2021	982,760	982,760
	<u>982,760</u>	<u>982,760</u>
Buildings - Club		
Buildings - at Directors' Valuation 2021	3,322,815	3,322,815
Buildings - at cost	-	-
Less: Accumulated depreciation	100,720	50,878
	<u>3,222,095</u>	<u>3,271,937</u>
Building Renovations	294,088	69,020
Total Buildings	<u>3,516,183</u>	<u>3,340,957</u>
	<u>3,516,183</u>	<u>3,340,957</u>
Plant and equipment		
Plant, equipment and furniture - at cost	7,839,232	7,487,379
Less: Accumulated depreciation	6,197,067	5,973,199
	<u>1,642,165</u>	<u>1,514,180</u>
Total Property, Plant and Equipment	<u>\$6,141,108</u>	<u>\$5,837,897</u>
	<u>\$6,141,108</u>	<u>\$5,837,897</u>

The Club is planning to undertake renovations. Plans have been prepared and contracts entered into. Refer to note 16 for the capital commitment. An independent valuation will be sought after completion of any renovation work.

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2023

	2023	2022	
	\$	\$	
NOTE 10 - PROPERTY, PLANT AND EQUIPMENT (CONTINUED)			
Movements in Carrying Amounts	Land	Buildings	Plant and Equipment
			Total
Balance 1 July, 2021	982,760	3,322,815	1,188,186
Additions	-	69,020	721,460
Disposals	-	-	(22,084)
Depreciation expense	-	(50,878)	(373,382)
Balance 30 June, 2022	<u>982,760</u>	<u>3,340,957</u>	<u>1,514,180</u>
Balance 1 July, 2022	982,760	3,340,957	1,514,180
Additions	-	225,068	538,596
Disposals	-	-	(6,822)
Depreciation expense	-	(49,842)	(403,790)
Balance 30 June, 2023	<u>982,760</u>	<u>3,516,183</u>	<u>1,642,164</u>

The directors are satisfied that the recoverable amount of property, plant and equipment exceeds the carrying value.

NOTE 11 - INVESTMENT PROPERTY

Land and building

78 Meehan Street - at Market Value

Buildings - at cost	432,171	432,171
Adjustment to Market Value	200,983	135,983
Improvements and depreciable plant - at cost	28,288	28,288
Less: Accumulated Depreciation	(12,308)	(11,442)
	<u>\$649,134</u>	<u>\$585,000</u>

The investment property was purchased in 2013 and is carried at market value.

NOTE 12 - INTANGIBLE ASSETS

Intangible Assets - Gaming Machine Entitlements - at cost	799,489	799,489
Less accumulated amortisation and impairment	-	-
	<u>\$799,489</u>	<u>\$799,489</u>

**Reconciliation of Intangible Assets -
gaming machine entitlements - at cost**

Balance at beginning of year	799,489	799,489
Additions	-	-
Closing carrying value at 30 June, 2023	<u>\$799,489</u>	<u>\$799,489</u>

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2023

NOTE 13 - CASH FLOWS FROM OPERATIONS

Reconciliation of cash flow from operations with operating profit after income tax:

Operating profit after income tax	1,110,538	1,106,288
Non-cash items in operating profit		
- revaluation of investment property	(65,000)	(102,965)
- depreciation	454,498	419,170
- (profit)/loss on disposal of plant and equipment	(2,865)	0
- provision for annual leave	20,981	2,857
- provision for long service leave	(4,151)	7,203
- other provisions	12,486	(8,158)
Changes in assets and liabilities relating to operating revenues and expenses		
- decrease / (increase) in sundry debtors and prepayments	(161,564)	(29,732)
- decrease / (increase) in inventories	(20,332)	428
- increase / (decrease) in subscriptions in advance	(6,990)	7,024
- increase / (decrease) in GST payable	(50,336)	74,029
- increase / (decrease) in trade creditors and accruals	(40,228)	(53,730)
Cash flows from operations	<u>\$1,247,037</u>	<u>\$1,422,414</u>

NOTE 14 - RELATED PARTY TRANSACTIONS

The names of persons who were directors at any time during the year are set out in the Report of the Directors. No Director receives any remuneration from the Club, with the exception of an annual honorarium of \$5,000 paid to the Club President.

NOTE 15 - FINANCIAL INSTRUMENTS

(a) **Financial Risk Management**

The Club's activities expose it to a variety of financial risks including interest rate and liquidity risks. Due to the nature of the Club's investments and other financial instruments it is not exposed to significant financial risks.

(b) **Fair Value**

The carrying amounts and estimated fair values of financial assets and financial liabilities held at balance date are the same.

(c) **Market Risk**

The Club's financial assets which are subject to interest rate risk comprise cash on hand, at bank, on call and term deposits which are generally short term and are held to maturity. Therefore the Club does not consider that a change in interest rates would have a significant effect on profit or equity.

(d) **Credit Risk**

No credit risk exposure exists due to the nature of the Club's activities.

(e) **Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash or credit facilities to meet the operating requirements of the Club. This is managed through prudent cash flow management and maintenance of significant deposits with banks. The deposits held by the Club include term deposits and deposits at call with Australian banks earning interest at market rates.

The Club's financial liabilities at the reporting date are mainly due within 12 months and therefore discounting is not significant.

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2023

NOTE 16 - CAPITAL EXPENDITURE

	2023	2022
Capital Expenditure Commitments	\$ 10,306,046	\$ -
	(GST Exclusive)	

The Club is planning major renovations. At the date of this report no contracts have been signed or any payments made.

The Club has committed to capital works on the building. The Club will use a combination of existing funds and bank finance to fund the capital expenditure.

NOTE 17 - KEY MANAGEMENT PERSONNEL COMPENSATION

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

The totals of remuneration paid to KMP of the entity during the year are as follows:

	2023	2022
KMP Compensation	\$ 5,000	\$ 5,000

NOTE 18 - ENTITY DETAILS

The registered office and principal place of business is as follows:
86 Meehan Street,
Yass. NSW. 2582.

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2023

COMPILATION REPORT WITH AUDITED ACCOUNTS

On the basis of information provided by the Yass Soldiers' Club Limited, we have compiled the attached additional financial data for the year ended 30th June, 2023.

Our procedures have included classification and summarisation of information provided to us by the Club to compile this financial data. This additional financial data has been subjected to the auditing procedures applied in our statutory audit of the Club for the twelve months ended 30th June, 2023. It will be appreciated that our statutory audit did not cover all details of the additional financial data.

Neither the firm, nor any member or employee of the firm, undertakes any responsibility or accepts liability in any way whatsoever to any person, other than the Club, in respect of the attached financial data including any errors or omissions however caused.

GREGORY & McCARTHY
Chartered Accountants



P H Twohill
Director

75 Lead Street, Yass
26th October, 2023

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2023

	Note	2023 \$	2022 \$
INCOME			
Bar and raffles contribution	A	757,327	545,343
Gaming machine contribution		3,686,920	3,145,824
Gaming machine GST rebate		17,180	17,180
Keno contribution		44,289	35,115
Catering contribution	B	935,630	695,214
Members subscriptions		36,277	17,497
Commission, hire and other		78,632	78,783
Covid 19 - Australian Government Support		48,870	117,560
Rent (net)		(3,107)	9,261
Profit on sale of plant, poker machines and games		2,865	61,816
Increase in Market Value of Investment Property		65,000	135,983
Interest		14	3
		<u>5,669,897</u>	<u>4,859,579</u>
EXPENDITURE			
Administration	C	250,591	207,476
Members	D	366,392	250,832
Occupancy	E	869,395	791,340
Salaries and staff on costs	F	2,202,504	1,769,761
Gaming machine taxes, license fees and maintenance		762,977	609,611
Catering - Other Expenses		27,331	25,252
Donations and sponsorship	G	80,169	99,019
		<u>4,559,359</u>	<u>3,753,291</u>
OPERATING PROFIT BEFORE TAX		<u>\$1,110,538</u>	<u>\$1,106,288</u>

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2023

	2023	2022
	\$	\$
A. BAR & RAFFLES		
Bar sales	1,161,709	841,631
Less: Cost of sales	434,144	316,269
	727,565	525,362
	62.63%	62.42%
Raffles	129,006	113,191
Less: Cost of sales	99,244	93,210
	29,762	19,981
Total Gross Profit	\$757,327	\$545,343
B. CATERING		
Restaurant Sales	1,497,397	979,925
Take-Away Sales	530,829	588,244
Less: Cost of Sales	1,092,596	872,955
Total Gross Profit	\$935,630	\$695,214
	46.13%	44.33%
C. ADMINISTRATION		
Audit Fees	18,000	17,000
Accountancy	11,500	6,500
Advertising	9,085	11,156
Bank charges	21,545	15,007
Contract Bookkeeping	16,405	12,695
Computer support and data processing	47,402	51,058
Legal Fees	23,498	7,387
Printing, postages and stationery	37,103	31,948
Subscriptions	34,357	16,273
Telephone	17,566	17,856
Other expenses; directors expenses, freight, FBT, bad debt	14,130	20,596
	\$250,591	\$207,476

YASS SOLDIERS' CLUB LIMITED
A.B.N. 44 000 988 152

DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2023

	2023	2022
	\$	\$
D. MEMBERS		
Club promotion expenses	300,843	194,302
Entertainment	45,449	38,213
Other members' expenses	20,100	18,317
	<u>\$366,392</u>	<u>\$250,832</u>
E. CLUB BUILDINGS AND EQUIPMENT EXPENDITURE		
Cleaning and laundry	12,517	18,008
Depreciation - buildings	49,842	50,878
Depreciation - plant and fittings	404,657	374,365
Electricity, gas and heating	202,358	168,745
Insurances	82,627	68,884
Rates	21,558	25,980
Repairs and maintenance	72,805	70,854
Other expenses	23,031	13,626
	<u>\$869,395</u>	<u>\$791,340</u>
F. SALARIES AND STAFF ON COSTS		
Salaries	1,889,612	1,544,728
Superannuation	202,048	150,754
Payroll tax	48,464	12,255
Provision for annual leave	20,981	2,857
Provision for long service leave	(4,151)	7,203
Staff uniforms, training and other	16,788	13,520
Workers compensation insurance	28,762	38,444
	<u>\$2,202,504</u>	<u>\$1,769,761</u>
G. DONATIONS AND SPONSORSHIP		
RSL, Community Groups and Individuals	66,169	69,019
Registered Charities	14,000	30,000
	<u>\$80,169</u>	<u>\$99,019</u>