



2023

ANNUAL

REPORT

DAVISTOWN RSL CLUB LTD



Life Members
Davistown RSL Club Ltd

Deceased*

R. Webb*
R. Phillis*
M. De Launay*
W. Pearce*
M. Brian
N. Corney*
W. Buckley*
J. Williamson*
G. Dowling

Life Members
Davistown RSL Sub-Branch Ltd

C. B. Kirkman*
A. C. Connell*
H. Connell *
J.E. Brown*
H. Newhouse*
R. H. Honeybrook*
V. McAuliffe*
J. H. Barry *
A. F. Watt*
J. Marsh O.A.M*
C. Salakas

M. Brian
A. M. Dance*
J. J. Brown*
J. Rosling*
G. Smedley*
A. Splatt*
E. Moir*
D. Brown*
J. Foster*
T. Taylor*
S. Williamson*

Office Bearers for Year 2023

President	G. Dowling
Senior Vice President	M. Fletcher
Junior Vice President	J. Cooke
Directors	P. Osborn C. Jones K. Hutchison G. Beazley
General Manager	B. Bradley
Assistant Manager	I. Roberts
Sub Branch President	P. Osborn
Sub Branch Vice Presidents	M. Allen C. Salakas

General Managers Report



Once again it is with great pleasure to present the Annual Report for period ending 31st December 2023.

For the 2023 reporting period which resulted in a bottom line of \$119,873 profit.

Economic challenges such as interest rates and cost of living expenses are impacting our lives, despite this everyone has recognise to reconnect with family and friends at The Davo.

This year, the Club has put on a number of promotions which have been well received. Also, through ClubGRANTS, your club has made financial donations of \$59,000 to over 24 community organisations. In addition, we have supported many other organisations with in-kind and voucher donations.

To the Club's Managers, Department Heads and Supervisors that perform their duties to maintain our friendly staff approach and who, at times, do not receive the accolades they deserve, a grateful thank you. To all staff behind the scenes and in front of house, we all appreciate your contribution immensely and please be assured that it is not taken for granted.

To the Board of Directors, thank you for your support and guidance through 2023. We have managed to get through another challenging year.

As we move forward in 2024, it is important to recognise that the Club industry is evolving and changing and I look forward to the challenges and rewards that are ahead.

Ben Bradley ACCM
General Manager

President's Report



It has again been my privilege to be your President for 2023.

To say that 2023 has been a challenge would be an understatement. During the year interest rates increased multiple times and the day to day items such as fuel, electricity, rates, groceries and insurances have only gone in one direction and that is upwards and this impacts the disposable income of the majority of our members. Our club has seen increases in the cost of doing business in all areas as well.

Management and Directors have monitored the increases with a view of offering our members the best value for money we can, without comprising the service we offer.

During 2023 the club paid the remainder of our loan for the previous extensions out and currently the only loan we have is \$25K for the purchase of new gaming machines which will be finalised in 2024.

In 2024 we are confident that we can commence the process of embarking on new and exciting plans to further improve our offering to members when these plans are finalised. Details will be circulated to members for their information and hopefully their support.

As always please remember we have many sporting clubs operating from our premises including Men's & Ladies Golf, Lawn Bowls, Fishing, Snooker, Pigeon and Rowing. If you are not already involved, please consider making contact with these groups.

The Club anticipates the trading environment will continue to have its challenges in 2024, until later in the year when interest rates and inflation are expected to come down.

Your Board and management continue to closely monitor the Club's trade and are making the required changes to offer our members and guests the hospitality and services they expect from Davistown RSL Club.

Gary Dowling
President

Sub Branch Report



I would like to present our Sub Branch annual report on our activities for 2024.

Executive Committee

President, Paul Osborn

Secretary, Peter Grothen

Treasurer, Kerry Hutchison

Vice President, Mick Allen

Vice President, Chris Salakas

Committee

Steve Laing

Mike Fletcher

Don Molloy

Chris Jones

Trustees

Steve Laing

Mike Fletcher

Don Molloy

Davistown R.S.L. Sub Branch commemorated Anzac Day 2023 at 0555 by holding our Dawn Service in front of our Memorial Wall outside our Club. The service was attended by serving and ex serving members of our Defence Force, various Federal, State and local community leaders, local schools, and with a very large number of local residents attending. Other Memorial Services were conducted during 2023, being Victory in the Pacific, Long Tan and Remembrance Day. A special thanks to Sandra and Rohan from the Club LTD for their assistance on these special days. At the conclusion of the VP Long Tan and Remembrance Day Service, all who attended were invited to join us for finger food and refreshments. I would like to thank the Auxiliary, who work tirelessly to raise funds throughout the year for the veterans.

The selling of Anzac Day and Remembrance Day badges is a large fundraiser for the Auxiliary with all money raised going to the veteran community. I would also like to thank all the Sub Branch members who assisted in selling badges and handing out programs at Anzac Day, VP Long tan and Remembrance Day.

The Sub Branch remains very strong with our current membership of 105 Serving and Ex-service men and women.

A special thanks to Peter and Kerry and the hardworking Committee for their support with all working together to make this the best Sub Branch we can.

Paul Osborn

President

Davistown RSL Sub Branch



**Voting will commence on Tuesday 2nd April 2024 at 12 noon and close
Monday 8th April 2024 at 8.00pm**

**Notice is hereby given that the Annual General Meeting of Davistown RSL Club
Limited will be held on Wednesday 17th April, 2024
commencing at 7.00pm at the premises of the Club,
19 Murna Road, Davistown NSW.**

AGENDA

The agenda of the meeting will be as follows:

1. Apologies
2. To confirm the Minutes of the previous Annual General Meeting
3. To receive and consider the Presidents' Report, Directors' Report, Financial Report and Auditors' Report.
4. To consider and if thought fit pass the Ordinary Resolutions set out in this Notice.
5. To declare the results of the election of the Board.
8. To deal with any other business that may be dealt with at the Annual General Meeting.

FIRST ORDINARY RESOLUTION

That pursuant to the Registered Clubs Act:

(a) The members hereby approve and agree to expenditure by the Club until the next Annual General Meeting of the Club on the following activities of Directors.

1. The reasonable cost of a meal and beverage for each director immediately before or after a Board or Committee meeting on the day of the meeting when that meeting corresponds with a normal meal time.
2. The reimbursement of reasonable out-of-pocket expenses incurred by Directors in travelling to and from Directors' meeting and attending the Club premises on official Club business as approved by the Board from time to time on production of invoices, receipts and other proper documentary evidence of such expenditure.
3. The reimbursement of reasonable out-of-pocket expenses incurred by Directors in relation to such other duties including entertainment of special guests to the Club and other promotional activities performed by Directors, including attending functions at other clubs to represent the Club, which activities and the expenses there from are approved by the Board before payment is made on production of receipts, invoices or other proper documentary evidence of such expenditure.
4. The reasonable costs (including travel and accommodation expenses) of Directors (and their spouses/partners if required) attending meetings (including Clubs NSW Annual General Meeting) conferences and trade shows conducted by Clubs NSW, the Club Managers Association and such other conferences and trade shows as determined by the Board from time to time.
5. The payment of the premium for Directors' and Officers' insurance cover.
6. The reasonable cost of Directors attending seminars, lectures, trade displays and other similar events as may be determined by the Board from time to time.
7. The reasonable cost of Directors attending other registered clubs for the purpose of viewing and assessing their facilities and methods of operation provided such attendances are approved by the Board as being necessary for the betterment of the Club.

8. The provision of reserved car parking spaces for Directors as designated by the Board.
 9. The reasonable cost of a club uniform being provided to Directors as required. This shall be determined by the Board as is in keeping with the Club's current image.
 10. The reasonable cost of providing an annual appreciation dinner for Directors, their partners and other invited guests, the reasonable cost of which shall be determined by the Board and paid by the Club.
 11. Reimbursement of out-of-pocket expenses on production of invoiced receipts and other documented evidence of such expenditure as approved by the Board.
- (b) The members acknowledge that the benefits in paragraph (a) above are not available to members generally, but only for those who are Directors of the Club.

SECOND ORDINARY RESOLUTION

That the members hereby approve:

(a) The payment of the following honorariums to the Directors for their services as directors of the Club until the next Annual General Meeting of the Club:

- (i) President \$350 per month = \$4,200
- (ii) Senior Vice President \$220 per month = \$2,640
- (iii) Junior Vice President \$220 per month = \$2,640
- (iv) Ordinary Directors \$220 per month = \$2,640

(b) Such honorarium is to be paid monthly or in such other installments as the Club and the directors may agree from time to time. If any of the directors only hold office for part of the term, the honorarium shall be paid on a pro rata basis.

NOTES TO MEMBERS IN RELATION TO THE ORDINARY RESOLUTIONS:

1. The First Ordinary Resolution is to have the members in general meeting approve the expenditure by the Club for directors to attend seminars, lectures, trade displays and other similar events to be kept abreast of current trends and developments which may have significant bearing on the Club and for other out of pocket expenses.
2. Included in the First Ordinary Resolution is the reasonable cost of directors attending functions as representatives of the Club and if required, the cost of their spouses/partners also attending these functions.
3. The Second Ordinary Resolution is to have members approve honorariums for directors of the Club for duties to be performed by those directors until the next Annual General Meeting.
4. The honorariums will be paid on a pro rata basis which means that if the directors only hold office for part of the year, the directors will only receive part of the honorarium.

Procedural Matters

5. To be passed an Ordinary Resolution must receive votes in its favour from not less than a simple majority (50% plus one) of those members, who being entitled to do so, vote in person on the Ordinary Resolution at the meeting.
6. The Registered Clubs Act provides that:
 - (a) members who are employees of the Club are not entitled to vote; and
 - (b) proxy voting is prohibited.
7. Please note that members will be able to access the Annual Report from 12th March 2024 on the Club's website: www.davistownrsl.com.au

Dated 1st March 2024

By Direction of the Board

Ben Bradley ACCM

General Manager

Davistown RSL Club Limited
ABN 36 000 870 655

Financial Report
For The Year Ended 31 December 2023

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Davistown RSL Club Limited
ABN 36 000 870 655

Directors' Report

Your directors present their report on Davistown RSL Club Limited ("the company" or "the club") for the year ended 31 December 2023.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Name	Roles and period of directorship
------	----------------------------------

Gary Dowling	President
Jennifer Cooke	Director
Christopher Jones	Director
Kerry Hutchison	Director
Paul Osborn	Director
Michael Fletcher	Director
Glen Beazley	Director

Meetings of Directors

During the financial year, 12 meetings of directors were held. Attendances by each director were as follows:

Director	Board Meetings	
	Eligible to Attend	Number Attended
Gary R Dowling	12	12
Jennifer Cooke	12	12
Christopher Jones	12	12
Kerry Hutchison	12	12
Paul Osborn	12	11
Glen Beazley	12	11
Michael Fletcher	12	10

Principal Activities

The principal activities of the company during the year were to provide sporting, social and entertainment activities and amenities to the members of the company and guests from conducting the business of a licensed club. There were no significant changes in the nature of these activities during the year.

Short-term and Long-term Objectives

The short-term objectives of the company are to maintain the current level of services provided to members and their guests while reducing the company's loans. The club will continue to promote and develop its social and sporting activities to ensure that the club meets the needs of its members and the local community.

The long-term strategic objective of the company is to conduct its business activities in a sound and responsible manner ensuring relevance to the membership and community providing the facilities and amenities that improve the financial and future viability of the company.

Davistown RSL Club Limited
ABN 36 000 870 655

Directors' Report

Strategy for Achieving the Objectives

The main strategy to achieve the club's objectives is through sound financial management and the use of financial ratios and key performance indicators (KPIs) to ensure that business plans, budgets and cash flows are current and relevant. Business activities are managed to ensure that the goals, objectives and business strategies are achieved. The club continually reviews its operations and assesses latest trends and opportunities to determine if they can be of benefit to the club and its members.

Key Performance Measures and Operating Results

Standard Club industry Key Performance Indicators including gross profit percentages, wages percentages ratios, EBIT and EBITDA metrics and exception reporting completed monthly.

The net amount of the company's profit for the financial year before depreciation, finance costs, interest earned, and income tax was \$934,929 (2022: \$1,849,579).

	EBITDA 2023	EBITDA 2022
Operating profit / (loss) after income tax	\$119,873	\$1,003,351
Add: Depreciation	\$832,126	\$808,421
Interest paid	\$2,711	\$29,630
Taxation	\$3,740	\$12,961
Less: Interest received	(\$23,521)	(\$4,784)
Earnings Before Interest Tax, Depreciation and Amortisation	<u>\$934,929</u>	<u>\$1,849,579</u>

After a record result for the Club in the 2022 year with surplus of \$1,003,351 and with the Club repaying its bank loans in January 2023, the Club has recorded a modest profit for the 2023 calendar year of \$119,873.

The reduction in the Club's profit this year is borne out by a fall of \$993,199 in revenue which was driven primary by a fall in gaming revenue of \$981,776, which was anticipated by management and the Directors.

Key influences on the Club trade were clearly the impact of higher cost of living on members and guest, higher interest rates impacting mortgage holders and competition in hospitality from our local competitors with their newly renovated premises. The Directors and management have closely monitored the Club trade and continues to make the required changes to keep attracting members and guests to the Clubs by focusing on its core activities of hospitality and gaming.

Davistown RSL Club Limited
ABN 36 000 870 655

Directors' Report

Liability of Members on Winding up

The company is incorporated and domiciled in Australia as a company limited by guarantee. In accordance with the constitution of the company, every member of the company undertakes to contribute an amount limited to \$5 per member in the event of the winding up of the company during the time that he/she is a member or within one year thereafter. At 31 December 2023 there were 14,856 members (2022: 15,015). At 31 December 2023 the total amount that members of the company are liable to contribute if the company is wound up is \$74,280 (2022: \$75,075).

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is party for the purposes of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

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



G Dowling
President

Dated: 20 February 2024

**Auditor's Independence Declaration
Under Section 307C of the Corporations Act 2001
To The Directors of Davistown RSL Club Limited**

I declare that, to the best of my 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.

FORTUNITY ASSURANCE



Adrian Thompson
Partner

155 The Entrance Road
ERINA NSW 2250

Dated: 20 February 2024

Davistown RSL Club Limited
ABN 36 000 870 655

Statement of Comprehensive Income
For The Year Ended 31 December 2023

	Note	2023 \$	2022 \$
Revenue	3	8,008,064	9,001,263
Other income	3	111,863	97,750
Cost of goods sold		(1,072,425)	(1,076,022)
Employee benefits expense		(2,610,045)	(2,620,052)
Poker machine tax, licences and donations		(837,552)	(1,115,770)
Entertainment and promotions		(973,942)	(868,186)
Property costs		(367,552)	(360,396)
Depreciation	4	(832,126)	(808,421)
Finance costs	4	(2,711)	(29,630)
Other expenses		(1,299,961)	(1,204,224)
Profit before income tax		123,613	1,016,312
Income tax expense	5	(3,740)	(12,961)
Profit after income tax		119,873	1,003,351
Other comprehensive income for the year		-	-
Total comprehensive income for the year		119,873	1,003,351

The accompanying notes form part of these financial statements.

Davistown RSL Club Limited
ABN 36 000 870 655

Statement of Financial Position
As At 31 December 2023

	Note	2023 \$	2022 \$
Assets			
Current Assets			
Cash and cash equivalents	7	1,804,602	1,561,255
Other receivables	8	98,248	135,478
Inventories	9	75,010	75,650
Other assets	10	200,566	214,203
Total Current Assets		<u>2,178,426</u>	<u>1,986,586</u>
Non-Current Assets			
Property, plant and equipment	11	9,348,925	9,311,006
Deferred tax assets	14	15,312	19,052
Total Non-Current Assets		<u>9,364,237</u>	<u>9,330,058</u>
Total Assets		<u>11,542,663</u>	<u>11,316,644</u>
Current Liabilities			
Trade and other payables	12	609,792	421,082
Financial liabilities	13	24,937	78,824
Employee benefits	15	656,138	561,697
Total Current Liabilities		<u>1,290,867</u>	<u>1,061,603</u>
Non-Current Liabilities			
Long term payables	12	30,692	51,993
Financial liabilities	13	-	39,673
Employee benefits	15	52,861	115,005
Total Non-Current Liabilities		<u>83,553</u>	<u>206,671</u>
Total Liabilities		<u>1,374,420</u>	<u>1,268,274</u>
Net Assets		<u>10,168,243</u>	<u>10,048,370</u>
Members' Funds			
Retained earnings		<u>10,168,243</u>	<u>10,048,370</u>

The accompanying notes form part of these financial statements.

Davistown RSL Club Limited
ABN 36 000 870 655

Statement of Changes in Members Funds
For The Year Ended 31 December 2023

	Retained Earnings \$	Total \$
Balance at 1 January 2022	9,045,019	9,045,019
Total comprehensive income for the year	1,003,351	1,003,351
	<hr/>	<hr/>
Balance at 31 December 2022	10,048,370	10,048,370
Total comprehensive income for the year	119,873	119,873
	<hr/>	<hr/>
Balance at 31 December 2023	10,168,243	10,168,243
	<hr/>	<hr/>

The accompanying notes form part of the financial statements.

Davistown RSL Club Limited
ABN 36 000 870 655

Statement of Cash Flows
For The Year Ended 31 December 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers		8,811,293	9,802,690
Payments to suppliers and employees		(7,737,015)	(8,002,905)
Interest received		23,521	4,784
Interest paid		(2,711)	(29,630)
Net cash provided by operating activities	16	1,095,088	1,774,939
Cash flows from investing activities			
Payments for property, plant & equipment		(870,045)	(683,211)
Proceeds from sale of assets		111,864	101,921
Net cash used in investing activities		(758,181)	(581,290)
Cash flows from financing activities			
Repayments of borrowings		(93,560)	(1,066,843)
Net cash used in financing activities		(93,560)	(1,066,843)
Net Increase / (decrease) in cash held		243,347	126,806
Cash at the beginning of the financial year		1,561,255	1,434,449
Cash at the end of the financial year	7	1,804,602	1,561,255

The accompanying notes form part of these financial statements.

Davistown RSL Club Limited
ABN 36 000 870 655

Notes to the Financial Statements
For The Year Ended 31 December 2023

The financial statements cover Davistown RSL Club Limited as an individual entity unlisted public company limited by guarantee, incorporated and domiciled in Australia. Davistown RSL Club Limited is a company limited by guarantee.

The financial statements were authorised for issue on 20 February 2024 by the directors of the company.

Note 1. Summary of Significant Accounting Policies

Basis of Preparation

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

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

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

Accounting Policies

(a) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to members and guests.

Revenue from rendering a service is recognised upon the delivery of the service to members and guests.

Where the entity receives memberships, sponsorships or grants, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB15.

Where both these conditions are satisfied the Company;

- Identifies each performance obligation relating to the membership, sponsorship or grant;
- Recognises a contract liability for its obligations under the contract or grant;
- Recognises revenue as it satisfies its performance obligations.

Davistown RSL Club Limited
ABN 36 000 870 655

Notes to the Financial Statements
For The Year Ended 31 December 2023

Note 1. Summary of Significant Accounting Policies (cont'd)

Accounting Policies (cont'd)

(a) Revenue (cont'd)

When the contract is not enforceable or does not have sufficiently specific performance obligations, the Company;

- Recognise the asset received in accordance with the recognition requirements of other applicable accounting standards (AASB9, AASB16 and AASB138);
- Recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liabilities);
- Recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to financial assets.

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

(b) 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. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date and adjusted to take into account the principal of mutuality.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

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 amount 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 sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Davistown RSL Club Limited
ABN 36 000 870 655

Notes to the Financial Statements
For The Year Ended 31 December 2023

Note 1. Statement of Significant Accounting Policies (cont'd)

(c) Inventories

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost as at the date of acquisition.

(d) 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.

Property

Freehold land is measured on the cost basis. Buildings are measured on the cost basis less depreciation and impairment losses.

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors 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.

The cost of fixed assets constructed within the company includes the cost of materials, direct labour and borrowing costs. 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 company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use.

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

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Buildings	2.5%
Poker Machines	20 - 33%
Plant & equipment	15 - 20%
Leased plant	20%
Motor vehicles	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Davistown RSL Club Limited
ABN 36 000 870 655

Notes to the Financial Statements
For The Year Ended 31 December 2023

Note 1. Statement of Significant Accounting Policies (cont'd)

(d) Property Plant and Equipment (cont'd)

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

(e) Financial Instruments

Recognition

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at cost which includes transaction costs when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets

Financial assets that are within the scope of the accounting standards are required to be subsequently measured at amortised or fair value on the basis of the company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. The company holds investment classified as financial asset at fair value through other comprehensive income. In adopting AASB 9 Financial Instruments, the company has made an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. No further impairment of the financial assets at fair value through other comprehensive income will be recognised.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(f) Impairment of Assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the assets fair value less costs to sell and value in use, to the assets carrying amount.

Any excess of the assets carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

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

Davistown RSL Club Limited
ABN 36 000 870 655

Notes to the Financial Statements
For The Year Ended 31 December 2023

Note 1. Statement of Significant Accounting Policies (cont'd)

(g) 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 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 as 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 that match, as closely as possible, the estimated future cash outflows.

(h) 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. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except, where the amount of GST included is not recoverable from 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 Statement of Financial Position are shown inclusive of GST are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included with other receivables or 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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Davistown RSL Club Limited
ABN 36 000 870 655

Notes to the Financial Statements
For The Year Ended 31 December 2023

Note 1. Statement of Significant Accounting Policies (cont'd)

(j) Trade and Other Receivables

Trade and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Trade and Other Debtors expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other trade debtors are classified as non-current assets.

(k) Trade and Other Payables

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

(l) Members Subscriptions

Members subscriptions received in advance are amounts received from members in respect of subscriptions for 2023 and subsequent years, and are shown in the balance sheet under trade and other payables.

(m) Limitation of Members' Liability

In accordance with the Club's Constitution the liability of members in the event of the Club being wound up would not exceed \$5 per member.

(n) Comparative Figures

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

(o) New and Amended Accounting Policies

The company has adopted all new or amended Accounting Standards and Interpretations issued by the Australia 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. The following Accounting Standards and Interpretations are most relevant to the Company;

Davistown RSL Club Limited
ABN 36 000 870 655

Notes to the Financial Statements
For The Year Ended 31 December 2023

Note 1. Statement of Significant Accounting Policies (cont'd)

Note 2. 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 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. 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.

Employee benefits provision

As discussed in Note 1, 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 and pay increases through promotion and inflation have been taken into account.

Davistown RSL Club Limited
ABN 36 000 870 655

Notes to the Financial Statements
For The Year Ended 31 December 2023

	2023	2022
	\$	\$
Note 3. Revenue and Other Income		
Revenue		
Sale of goods:		
- Bar sales	2,571,943	2,650,264
Services:		
- Net clearances	4,350,246	5,332,022
- Market nights, functions	375,209	298,382
- TAB & Keno commissions	96,241	99,840
- Green fees	62,920	52,210
- Commissions received	83,004	94,098
- Catering Commission	234,443	246,744
Total Services	5,202,063	6,123,296
Other revenue:		
- Interest received	23,521	4,784
- Members subscriptions	47,009	61,251
- Rents	4,463	6,036
- Sundry income	159,065	155,632
Total Other revenue	234,058	227,703
Total Revenue	8,008,064	9,001,263
Other Income		
- Gain on disposal of non-current assets	111,863	97,750
Total Revenue and Other Income	8,119,927	9,099,013
Note 4. Expenses		
Depreciation		
- Buildings	304,060	338,241
- Plant and equipment	528,066	470,180
	832,126	808,421
Finance costs		
- Interest on financial liabilities	2,711	29,630

Davistown RSL Club Limited
ABN 36 000 870 655

Notes to the Financial Statements
For The Year Ended 31 December 2023

	2023	2022
	\$	\$
Note 5. Income Tax Expense		
(a) The components of tax expense comprises:		
Current tax	-	-
Deferred tax	3,740	12,961
	<u>3,740</u>	<u>12,961</u>
(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at 2.03% (2022: 2.67%)	2,509	27,166
Add:		
- non deductible members only expenses	4,238	6,356
- non mutual expenses	12,051	15,116
	<u>16,289</u>	<u>21,472</u>
Less:		
Tax effective of:		
- members subscriptions	(954)	(1,637)
- non mutual income	(10,164)	(13,858)
	<u>(11,118)</u>	<u>(15,495)</u>
Adjusted for the effect of non-mutual income and expenses calculated at 27.5%		
- Non mutual income	1,960,164	2,167,701
- Non-mutual expenses	(2,020,513)	(2,098,197)
	<u>(60,349)</u>	<u>69,504</u>
Taxable income / (Tax Losses)	(52,669)	102,647
Loss carried forward applied to future period	(52,669)	-
Recoupment of prior year tax losses not previously brought to account		(102,647)
Income tax attributable to operating profit	<u>-</u>	<u>-</u>

Davistown RSL Club Limited
ABN 36 000 870 655

Notes to the Financial Statements
For The Year Ended 31 December 2023

	2023 \$	2022 \$
Note 6. Key Management Personnel Compensation		
(a) The Directors of the Club in office during the financial year received or receivables by the Directors in connection with the Company are as follows:		
Honorariums	20,040	19,380
	<hr/>	<hr/>
(b) The remuneration paid to key management personnel of the Club is as follows:		
Key management personnel compensation	454,293	444,946
	<hr/>	<hr/>
Note 7. Cash and Cash Equivalents		
Cash at bank	1,516,482	1,269,135
Cash on hand	288,120	292,120
	<hr/>	<hr/>
	1,804,602	1,561,255
	<hr/>	<hr/>
Note 8. Other Receivables		
Other receivables	98,248	135,478
	<hr/>	<hr/>
Note 9. Inventories		
At cost:		
Stock on hand	75,010	75,650
	<hr/>	<hr/>
Note 10. Other Assets		
Prepayments	200,566	214,203
	<hr/>	<hr/>

Davistown RSL Club Limited
ABN 36 000 870 655

Notes to the Financial Statements
For The Year Ended 31 December 2023

	2023 \$	2022 \$
Note 11. Property Plant and Equipment (cont'd)		
Land		
Freehold land at cost	330,000	330,000
	<hr/>	<hr/>
Buildings – at cost	13,620,370	13,550,176
Less accumulated depreciation	(6,230,086)	(5,926,025)
	<hr/>	<hr/>
	7,390,284	7,624,151
	<hr/>	<hr/>
Plant and equipment – at cost	9,116,871	8,574,852
Less accumulated depreciation	(7,488,230)	(7,217,997)
	<hr/>	<hr/>
	1,628,641	1,356,855
	<hr/>	<hr/>
Total Property Plant and Equipment	9,348,925	9,311,006
	<hr/>	<hr/>

(a) Movements in Carry 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.

	Freehold Land	Buildings	Plant & Equipment	Total
Balance at the Beginning of year	330,000	7,624,151	1,356,855	9,311,006
	<hr/>	<hr/>	<hr/>	<hr/>
Additions at cost	-	70,193	799,852	870,045
Disposals	-	-	-	-
Depreciation expense	-	(304,060)	(528,066)	(832,126)
	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount at end of year	330,000	7,390,284	1,628,641	9,348,925
	<hr/>	<hr/>	<hr/>	<hr/>

Davistown RSL Club Limited
ABN 36 000 870 655

Notes to the Financial Statements
For The Year Ended 31 December 2023

	2023 \$	2022 \$
Note 12. Trade and Other Payables		
Current:		
Trade payables	310,670	81,141
Other payables and accrued expenses	268,777	337,871
Members subscriptions in advance	30,345	2,070
	<u>609,792</u>	<u>421,082</u>
Non-Current		
Members subscriptions in advance	<u>30,692</u>	<u>51,993</u>
Note 13. Financial Liabilities		
Current		
Secured		
Hire purchase Commitments (i)	24,937	78,824
	<u>24,937</u>	<u>78,824</u>
Non-Current		
Hire purchase Commitments (i)	<u>-</u>	<u>39,673</u>
	<u>-</u>	<u>39,673</u>
Secured Liabilities		
(i) Hire Purchase agreements secured over the purchase of plant & equipment. At the end of the financial year, one hire purchase agreement was active, with principal and interest repayments due in the next 12 months classified as current in nature and any further amounts of each agreement listed as non-current.		
Note 14. Tax		
(a) Provision for Income Tax	<u>-</u>	<u>-</u>
(b) Deferred tax assets comprises	<u>15,312</u>	<u>19,052</u>

Davistown RSL Club Limited
ABN 36 000 870 655

Notes to the Financial Statements
For The Year Ended 31 December 2023

	2023	2022
	\$	\$
Note 15. Employee Benefits		
Current		
Provision for annual leave	293,877	223,953
Provision for long service leave	362,261	337,744
	<u>656,138</u>	<u>561,697</u>
Non-Current		
Provision for annual leave	12,263	35,121
Provision for long service leave	40,598	79,884
	<u>52,861</u>	<u>115,005</u>

Note 16. Cash Flow Information

(a) Reconciliation of Cash Flow from
Operations with Profit from Ordinary
Activities after Income Tax

Profit from ordinary activities after income tax	119,873	1,003,351
Non-cash flows in profit from ordinary activities		
Depreciation	832,126	808,421
Net gain on disposal of assets	(111,864)	(97,750)
Changes in assets and liabilities		
Decrease/(Increase) in receivables and other debtors	37,230	(83,556)
(Increase)/decrease in inventories	640	1,189
(Increase)/decrease in other assets	13,638	(113,875)
Increase/(decrease) in trade and payables	167,408	131,166
Increase/(decrease) in provisions	32,297	113,032
(Increase)decrease in deferred tax asset	3,740	12,961
Cash flow from operations	<u>1,095,088</u>	<u>1,774,939</u>

Note 17. Financial Reporting By Segments

The Club operates predominantly in one industry. The principal activity of the Club is that of a Licensed Club registered under the *Registered Club Act, 1976*. The Club operates predominantly in one geographical area, being Davistown, NSW.

Davistown RSL Club Limited
ABN 36 000 870 655

Notes to the Financial Statements
For The Year Ended 31 December 2023

	2023 \$	2022 \$
Note 18. Related Party Disclosures		
(a) Loans to Directors		
Loans in existence at balance date to directors of the company	Nil	Nil
(b) Transactions with Related Parties - Directors		
Type of Terms & Transaction	Class of Conditions	Related Party
Purchases	Normal commercial terms	Directors
Director – meals and refreshments		6,367
Director – expenses		22
Director – uniforms		101
		3,372
		324
		514

(c) The Directors also purchased goods from the company on the same terms and conditions available to the company's employees, members and guests.

Note 19. Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable and borrowings. The totals for each category of financial instruments, measured in accordance with AASB9 as detailed in the accounting policies to these financial statements, are as follows:

Financial assets		
Cash and cash equivalents	1,804,602	1,561,255
Receivables	98,248	135,478
	1,902,850	1,696,733
Financial liabilities		
Trade payables and Other Payables	609,792	421,082
Borrowings	24,937	118,497
	634,729	539,579

The company does not have any derivative instruments at 31 December 2023.

Davistown RSL Club Limited
ABN 36 000 870 655

Notes to the Financial Statements
For The Year Ended 31 December 2023

Note 20. Contingent Liabilities and Contingent Assets

The directors are not aware of any significant contingent liabilities or contingent assets affecting the entity at reporting date.

Note 21. Members Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. In accordance with the conditions in the Constitution, the liability of members in the event of the company being wound up would not exceed \$5 per member towards meeting any outstanding and obligations of the company. As at 31 December 2023 there were 14,856 members.

Note 22. Events after the Reporting Period

Since the end of the financial year and the date of this report, no transactions or event of material and unusual nature has arisen to significantly affect the operation of the Club, the results of those operations or the state of affairs of the Club in the future financial years.

Note 23. Registered Office

The registered office address of the company is:

19 Murna Rd
Davistown NSW 2251


Davistown RSL Club Limited
ABN 36 000 870 655

Directors' Declaration
For The Year Ended 31 December 2023

The directors of the company declare that:

1. The financial report and notes, as set out on pages 7 to 25 are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards – Simplified Disclosure Requirements; and
 - (b) give a true and fair view of the financial position as at 31 December 2023 and of the performance for the year ended on that date of the company;
2. In the director's 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.

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



G Dowling
President

Dated: 20 February 2024

Independent Audit Report To The Members Of Davistown RSL Club Limited

Report on the Financial Report

Opinion

We have audited the financial report of Davistown RSL Club Limited (the company), which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes member's funds 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 accompanying financial report of Davistown RSL Club Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 31 December 2023 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Simplified Disclosure Requirements and the *Corporations Regulations 2001*.

Basis of 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 Davistown RSL Club Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 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.

Independent Audit Report To The Members Of Davistown RSL Club Limited

Other Information (continued...)

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 report.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian accounting Standards – Simplified Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine as 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.

The directors are responsible for overseeing the company's financial reporting process.

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.

**Independent Audit Report To The Members
Of Davistown RSL Club Limited**

Auditor's Responsibilities for the Audit of the Financial Report (continued...)

- 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.
- Obtain sufficient audit evidence regarding the financial information of the company of business activities with the company to express an opinion on the financial report. We are responsible solely for our audit opinion.

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

FORTUNITY ASSURANCE



Adrian Thompson
Partner

155 The Entrance Road
ERINA NSW 2250

Dated: 20 February 2024

VALE

Ray Markham	Marion Haggerty	Patrick Rolls
Helen Taylor	Edmund Raffery	William Allison
Terry Gee	George Pilowky	Pamela Moore
Bill Williamson	James Rankin	Cheryl Horwood
Elizabeth Lenard	John Sistrom	Helen Pickering
Peter Kilgannon	Robert Watkins	Ian Bromley
John Phelan	David Taylor	Peter Tierney
Shelley Inwood	Cheryl Quirk	Anne Waldegrave
Michael Beswick	Keith Ryan	Ken Beatson
Allan Settree	Lorraine George	Frances Melrose
Kevin Venner	Geoffrey Parker	Gordon McDonald
Catherine McMinir	Rob Capon	Roy Trudgett
Jeffrey Turnbull	John Saxon	Paul Sinclair
Fred Grul	Richard Casey	Ray Kirkman
John Rowley	Jan Jenkinson	Bill Robinson