

ANNUAL FINANCIAL REPORT

OF

**WINDSOR RSL CLUB LTD
ACN 000 811 290**

FOR THE YEAR ENDED

31 MARCH 2023

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**WINDSOR RSL CLUB LTD
ACN 000 811 290**

DIRECTORS' REPORT

The Directors of Windsor RSL Club Ltd submit herewith the annual report for the financial year ended 31 March 2023. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

DIRECTORS - The names of the directors in office at any time during or since the end of the financial year are:

David Ingram

Age: 62

Retired

13 years Director, 5 years President

Colin Wilson

Age: 82

Retired

5 years Vice-President, 8 years President, 21 years Treasurer

Ross Ryan

Age: 82

Retired

24 years Director, 11 years Vice-President

Les Sheather

Age: 73

Building Contractor

11 years Director

Paul Thomas

Age: 59

Director

9 years Director

Sarah McMahon

Age: 40

Former Lawyer

5 years Director

David Ross

Age: 51

Hotel Manager

3 years Director

David Hadfield (appointed 28/08/2022)

Age: 61

Retired

1 year Director

Darrell Logue (resigned 28/08/2022)

Age: 75

Funeral Director

13 years Director

WINDSOR RSL CLUB LTD
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DIRECTORS' REPORT (continued)

MEETING OF COMPANY DIRECTORS

The number of directors' meetings including meetings of committees of directors and number of meetings attended by each of the directors of the company during the financial year are:

Director	BOARD MEETINGS	
	Number of meetings attended	Number of meetings held*
Mr D Ingram	12	12
Mr C Wilson	10	12
Mr R Ryan	12	12
Mr L Sheather	11	12
Mr P Thomas	10	12
Ms S McMahon	9	12
Mr D Ross	9	12
Mr D Hadfield - appointed 28/08/2022	7	7
Mr D Logue - resigned 28/08/2022	3	5

* Number of meetings held during the time the directors held office during the year.

As a requirement of the Registered Clubs Regulation directors are required to undertake continuing professional development addressing the key skills and knowledge that directors need to successfully govern their club. The Board are ensuring that all Board members undertake the appropriate mandatory continuing professional development training programs.

COMPANY SECRETARY

The following person held the position of Company Secretary at the end of the financial year:

Christopher Nathan Whiteley

MEMBERS' GUARANTEE

The company is limited by guarantee. If the company is wound up the constitution of the company states that each member is required to contribute a maximum of \$4 each towards meeting any outstanding obligations of the company. The total amount contributed would be \$208,964.

REVIEW OF OPERATIONS

The club made a profit before tax of \$1,059,970 (2022: \$2,882,010). No income tax is payable.

The club derived an operating profit of \$3,575,742 (2022: \$1,424,954) before depreciation of \$1,845,880 (2022: \$1,797,084) and finance costs of \$669,892 (2022: \$335,762).

**WINDSOR RSL CLUB LTD
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DIRECTORS' REPORT (continued)

Club membership was 52,241 as at 31 March 2023 (52,330 as at 31 March 2022) and was made up as follows:

	2023	2022
Associate	52,236	52,325
Life	5	5
	<u>52,241</u>	<u>52,330</u>

OBJECTIVES

The objectives of the club are to operate in a responsible and financially prudent manner with the aim of enhancing membership benefits and contributing to the local community. Windsor RSL Club Ltd plays an important role in honouring present and returned servicemen and servicewomen.

Specific short and long term objectives include:

Short Term

- Provide the best possible facilities to members
- Encourage new membership
- Improve profitability and efficiency of club operations

Long Term

- Maintain financial stability of the club
- Ensure facilities continue to cater for members' needs
- Diversify income streams

STRATEGY FOR ACHIEVING THE OBJECTIVES

Attract and maintain quality management and staff.

Be flexible and adapt to the changing environment of the club, economy and member demographic characteristics. To continually review and upgrade facilities of the club.

PRINCIPAL ACTIVITIES

The principal activity of the company during the period was that of Licensed Club conducted for Members and Members' Guests according to the Constitution. No significant change in the nature of these activities occurred during the year.

HOW THESE ACTIVITIES ASSIST IN ACHIEVING THE OBJECTIVES

The principal activities of the club contributed to achieving the objectives by providing a stable base of operations. This ensured the financial stability and generated funds to meet the demands of the company and maintain high levels of service to members and guests.

PERFORMANCE MEASUREMENT AND KEY PERFORMANCE INDICATORS

The financial performance of the club is measured against the budget set and benchmark data for the industry.

Some of the specific areas reported on and monitored include:

- Earnings before Interest Tax Depreciation and Amortisation (EBITDA)
- Gross Profit Margins
- Expense Ratios and Analysis
- Cash Flow
- Members' Feedback
- Staff Turnover

**WINDSOR RSL CLUB LTD
ACN 000 811 290**

DIRECTORS' REPORT (continued)

GOING CONCERN

The financial report has been prepared on a going concern basis, which assumes the continuity of normal business operations, and the realisation of assets and settlement of liabilities in the ordinary course of business. The COVID-19 pandemic has created uncertainty in local and global economies, and is likely to impact normal business operations in the immediate future. The company has completed a comprehensive forecast for the next twelve months operations, and remains confident that it will be able to continue as a going concern.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration follows and forms part of the directors' report for the financial year ended 31 March 2023.

Signed in accordance with a resolution of the directors.

Dated at Windsor this 27 day of JUN 2023

.....
D Ingram
President

W L BROWNE & ASSOCIATES FCA PTY LTD

ABN 28 240 035 156

JOHN CHEADLE F.C.A.

john@wlbrowne.com.au

Suite 8, 924 Pacific Highway
Gordon NSW 2072
PO Box 294, Gordon NSW 2072
Telephone: 02 9498 5250

AUDITOR'S INDEPENDENCE DECLARATION

Lead Auditor's Independence Declaration Under Section 307C of the Corporations Act 2001

To the Directors of Windsor RSL Club Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit for the year ended 31 March 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.

.....
John C Cheadle
Registered Company Auditor

Dated:

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF WINDSOR RSL CLUB LTD

Report on the Audit of the Financial Report

Opinion

I have audited the accompanying financial report of Windsor RSL Club Ltd (the Company), which comprises the Statement of Financial Position as at 31 March 2023, Statement of profit or loss and other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In my opinion, the accompanying financial report of the Company 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 March 2023 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

Basis of Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described as in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

The directors are responsible for the other information. The other information obtained at the date of this auditor's report comprises the information included in the company's annual report for the year ended 31 March 2023, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

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

Responsibility of 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 - Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that 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 intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

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

.....
John C Cheadle
Registered Company Auditor
Dated:

**WINDSOR RSL CLUB LTD
ACN 000 811 290**

DIRECTORS' DECLARATION

In the opinion of the directors of Windsor RSL Club Ltd (the company):

- (a) the financial statements and notes, set out on pages 11 to 30, are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
 - (ii) give a true and fair view of the financial position of the company as at 31 March 2023 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and
- (b) at the date of this declaration 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 directors.

Dated at Windsor this 27 day of JUNE 2023

.....
D Ingram
President

WINDSOR RSL CLUB LTD
ACN 000 811 290

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 \$	2022 \$
Revenue from continuing operations			
Sale of goods		6,135,070	4,020,557
Rendering of services		15,241,966	9,276,896
Other revenue		29,438	73,892
Total revenue from continuing operations	2	<u>21,406,474</u>	<u>13,371,345</u>
Expenses			
Cost of Sales		(2,153,681)	(1,443,425)
Poker machine licence and taxes		(3,162,081)	(1,670,315)
Employee expenses		(6,829,496)	(4,818,528)
Entertainment, advertising and promotions		(2,632,009)	(2,283,976)
Property expenses		(692,215)	(476,746)
Licence and fees		(56,659)	(50,253)
Donations		(331,900)	(253,445)
Printing & stationery		(49,211)	(45,050)
Other expenses		(2,454,642)	(904,653)
Total expenses		<u>(18,361,894)</u>	<u>(11,946,391)</u>
Earnings before depreciation and finance costs		3,044,580	1,424,954
Depreciation and amortisation expenses	3(a)	(1,845,880)	(1,797,084)
Finance costs	3(a)	<u>(669,892)</u>	<u>(335,762)</u>
Profit/(Loss) before income tax		528,808	(707,892)
Income tax expense	5(a)	<u>-</u>	<u>-</u>
Net profit/(loss) from continuing operations after income tax expense attributable to members	15	528,808	(707,892)
Other comprehensive income			
Insurance Proceeds		531,162	-
Profit on amalgamation of Windsor Country Golf Club		<u>-</u>	<u>3,589,902</u>
Total comprehensive income for the year attributable to members		<u>1,059,970</u>	<u>2,882,010</u>

The Statement of Comprehensive Income should be read in conjunction with
the accompanying notes to the financial statements

WINDSOR RSL CLUB LTD
ACN 000 811 290

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023	2022
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	6	487,328	302,919
Trade and other receivables	7	40,647	26,538
Inventories	8	183,124	135,528
Other current assets	9	168,284	135,542
TOTAL CURRENT ASSETS		<u>879,383</u>	<u>600,527</u>
NON-CURRENT ASSETS			
Property, plant and equipment	11	29,800,498	28,048,227
Intangible assets	10	1,991,243	1,963,638
TOTAL NON-CURRENT ASSETS		<u>31,791,741</u>	<u>30,011,865</u>
TOTAL ASSETS		<u>32,671,124</u>	<u>30,612,392</u>
CURRENT LIABILITIES			
Trade and other payables	12	2,720,446	3,537,501
Financial liabilities	13	2,042,879	2,005,554
Employee benefits	14	227,206	397,931
TOTAL CURRENT LIABILITIES		<u>4,990,531</u>	<u>5,940,986</u>
NON-CURRENT LIABILITIES			
Financial liabilities	13	10,838,379	8,833,723
Employee benefits	14	158,542	213,981
TOTAL NON-CURRENT LIABILITIES		<u>10,996,921</u>	<u>9,047,704</u>
TOTAL LIABILITIES		<u>15,987,452</u>	<u>14,988,690</u>
NET ASSETS		<u>16,683,672</u>	<u>15,623,702</u>
MEMBERS' FUNDS			
Retained profits	15	14,179,187	13,119,217
Asset revaluation reserve	16	2,504,485	2,504,485
TOTAL MEMBERS' FUNDS		<u>16,683,672</u>	<u>15,623,702</u>

The Balance Sheet should be read in conjunction with
the accompanying notes to the financial statements

**WINDSOR RSL CLUB LTD
ACN 000 811 290**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Asset Revaluation Note	Reserve	Retained Earnings	Total Equity
Balance at 1 April 2021		2,504,485	10,237,207	12,741,692
Change in equity for 2022				
Total comprehensive income for the year		<u>-</u>	<u>2,882,010</u>	<u>2,882,010</u>
Balance at 31 March 2022		2,504,485	13,119,217	15,623,702
Change in equity for 2023				
Total comprehensive income for the year		<u>-</u>	<u>1,059,970</u>	<u>1,059,970</u>
Balance at 31 March 2023		<u>2,504,485</u>	<u>14,179,187</u>	<u>16,683,672</u>

The Statement of Changes in Equity should be read in conjunction with
the accompanying notes to the financial statements

**WINDSOR RSL CLUB LTD
ACN 000 811 290**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 \$	2022 \$
Cash Flows from Operating Activities			
Cash receipts from customers		21,544,579	14,208,523
Cash paid to suppliers and employees		(19,637,662)	(10,844,522)
Insurance proceeds		531,162	-
Interest received		-	205
Borrowing costs paid		(669,892)	(334,359)
Costs incurred Windsor Country Golf Club amalgamation		-	(881,459)
Net cash inflows from operating activities	19(b)	<u>1,768,187</u>	<u>2,148,388</u>
Cash Flows from Investing Activities			
Sales proceeds plant and equipment		145,079	89,092
Acquisition PM Entitlements		(27,605)	(27,605)
Acquisition of property, plant and equipment and club refurbishment		(3,743,230)	(9,422,425)
Net cash inflows/(outflows) from investing activities		<u>(3,625,756)</u>	<u>(9,360,938)</u>
Cash Flows from Financing Activities			
Proceeds from bank loans		3,146,218	5,878,684
Repayment of bank loans		(1,260,000)	(447,928)
Proceeds from borrowings (hire purchase)		692,940	827,759
Hire purchase payments		(537,177)	(781,093)
Net cash inflows(outflows) from financing activities		<u>2,041,981</u>	<u>5,477,422</u>
Net increase/(decrease) in cash and cash equivalents		184,412	(1,735,128)
Cash and cash equivalents at the beginning of the financial year		<u>302,916</u>	<u>2,038,044</u>
Cash and cash equivalents at the end of the financial year	19(a)	<u><u>487,328</u></u>	<u><u>302,916</u></u>

The Statement of Cash Flows should be read in conjunction with
the accompanying notes to the financial statements

WINDSOR RSL CLUB LTD
ACN 000 811 290

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards and the *Corporations Act 2001*.

The financial report has been prepared on a going concern basis, which assumes the continuity of normal business operations, and the realisation of assets and settlement of liabilities in the ordinary course business. The COVID-19 pandemic has created uncertainty in local and global economies, and is likely to impact normal business operations in the immediate future. The company has completed a comprehensive forecast for the next twelve months operations, and remains confident that it will be able to continue as a going concern.

In preparing the financial report the company has taken the exemptions available to non profit entities.

Historical Cost Convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

(b) Revenue Recognition - Note 2

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Sale of goods

Revenue from the sale of goods comprises revenue earned from provision of food, beverage and other goods and is recognised (net of rebates, returns, discounts and other allowances) when control of the goods passes to the customer.

Rendering of Services

Revenue from rendering services comprises revenue from gaming facilities together with other services to members and other patrons of the club and is recognised when the services are provided.

Interest Revenue

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

Member Subscriptions

Membership subscriptions are accounted for in the year of receipt irrespective to the period for which they relate. All costs associated with the procurement of membership subscriptions are expensed when incurred.

WINDSOR RSL CLUB LTD
ACN 000 811 290

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Revenue Recognition - Note 2 (continued)

Sale of Property, Plant and Equipment

The gain on loss or disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs) and is recognised as revenue at the date control of the asset passes to the buyer.

(c) Goods and Services Tax

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

Receivables and payables in the Balance Sheet are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation is included as a current asset or liability in the Balance Sheet.

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

(d) Finance Costs

Finance costs include interest, premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings and lease finance charges.

Finance costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets which take more than 12 months to get ready for their intended use for sale. In these circumstances finance costs are capitalised to the cost of the assets. Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of finance costs capitalised is those incurred in relation to that borrowing, net of any interest earned on those borrowings. Where funds are borrowed generally finance costs are capitalised using a weighted average capitalisation rate.

**WINDSOR RSL CLUB LTD
ACN 000 811 290**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Income Tax - Note 5

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 the tax rates that have been enacted or are substantially enacted by the Balance Sheet date.

(f) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets' fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(g) Cash and Cash Equivalents - Note 6

Cash and cash equivalents include cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts.

(h) Trade and Other Receivables - Note 7

Trade debtors and other receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and provisions for doubtful accounts.

(i) Inventories - Note 8

Inventories are measured at the lower of cost and net realisable value. Costs have been assigned to inventory quantities on hand at balance date using the weighted average basis.

WINDSOR RSL CLUB LTD
ACN 000 811 290

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Property, Plant and Equipment - Note 11

Land is shown at periodic, but at least triennial, valuations by external independent valuers. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' 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 Statement of Comprehensive Income during the financial period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land are credited in other comprehensive income through to the revaluation surplus reserve in equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit and loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset, all other decreases are charged to the Statement of Comprehensive Income.

Land is not depreciated. Depreciation on other assets is calculated using the straight line/diminishing value methods to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

	2023	2022
Buildings and Improvements	40 years	40 years
Furniture, Fittings and Equipment	11 years	11 years
Poker Machines	4 years	4 years
Kitchen Equipment	11 years	11 years
Vehicles	8 years	8 years

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

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 carrying amount. These are included in the Statement of Comprehensive Income. When revalued assets are sold, it is company policy to transfer the amounts included in other reserves with respect to those assets to retained earnings.

The company's properties are now classified as either "Core" or "Non-Core" property. Core property is property occupied by the club as licensed premises. The club can only dispose of its core property if the disposal has been approved by a resolution passed by the majority of members. The property must be sold at public auction after valuation by a registered valuer. These requirements do not apply to non-core property, ie, investment properties.

WINDSOR RSL CLUB LTD
ACN 000 811 290

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Employee Benefits - Note 14

Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables with respect to employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Long Service Leave

The provision for employee benefits to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided to reporting date.

The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the rates attaching to national government bonds at reporting date which most closely match the terms of maturity of the related liabilities. The unwinding of the discount is treated as long service leave expense.

Superannuation Plan

The company contributes to several defined contribution superannuation plans. Contributions are recognised as an expense as they are made. The company has no legal or constructive obligation to fund any deficit.

(l) Trade and Other Payables - Note 12

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Financial Liabilities - Note 13

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the Balance Sheet date.

(n) Hire Purchase Assets

Contracts under which the company assumes substantially all the risks and benefits of ownership are classified as Hire Purchase liabilities.

**WINDSOR RSL CLUB LTD
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Hire Purchase Assets (continued)

Note 13

A financed asset and a liability equal to the present value of the total payments are recorded at the inception of the contract.

Hire Purchase liabilities are reduced by repayments of principal. The interest components of the payments are expensed. Contingent rentals are expensed as Incurred.

(o) Comparatives

Comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(p) Use and Revisions of Accounting Estimates

The preparation of the financial report requires the making of estimations and assumptions that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(q) Customer Loyalty Program

The company operates a loyalty program where customers accumulated point for dollars spent. The award points are recognised as a separately identifiable component of the initial sale transaction, by allocating the fair value of the consideration received between the award points and the other components of the sale that the award points are recognised at their fair value. Revenue from the award points is recognised when the points are redeemed. The amount of revenue is based on the number of points redeemed relative to the total number expected to be redeemed.

(r) Intangible Assets

Poker Machine Entitlements

Poker machine entitlements are not amortised. Instead poker machine entitlements are tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and are carried at cost less accumulated impairments losses.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	\$	\$
2. REVENUE FROM CONTINUING OPERATIONS		
Sale of Goods Revenue		
Bar and Food Sales	6,135,070	4,020,557
	<u>6,135,070</u>	<u>4,020,557</u>
Rendering of Services Revenue		
Functions and restaurant	216,644	45,374
Poker machines - net clearances	13,381,368	7,824,637
Members' subscriptions	98,692	124,690
Entertainment and promotions	523,061	304,768
Keno sales	93,145	61,143
Commission received	107,418	68,122
Golf course income	630,405	131,333
Sundry income	191,233	271,443
Government Subsidy (JobKeeper/JobSaver & Cash Boost)	-	445,386
	<u>15,241,966</u>	<u>9,276,896</u>
Other Revenues		
Surplus on disposal of assets	29,438	73,687
Interest received	-	205
	<u>-</u>	<u>205</u>
Total revenue from continuing operations	<u>21,406,474</u>	<u>13,371,345</u>
Key Performance Indicators ("KPIs")		
i) Bar Gross Profit Percentage	67.73%	68.08%
ii) Bar Wages to Bar Sales Percentage	37.72%	46.40%
iii) Earnings before interest, depreciation, amortisation and income tax (EBITDA)	\$3,575,742	\$1,424,954

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	\$	\$
3. EXPENSES		
(a) Profit/(loss) before income tax includes the following specific expenses		
Loss on disposal of fixed assets	<u>21,979</u>	<u>-</u>
Finance costs		
Finance lease charges	35,402	53,115
Other loans	<u>634,490</u>	<u>282,647</u>
	<u>669,892</u>	<u>335,762</u>
Depreciation		
Buildings and improvements	411,853	321,389
Plant and equipment	1,155,593	1,249,337
Hire Purchase assets	<u>278,434</u>	<u>226,358</u>
Total depreciation and amortisation	<u>1,845,880</u>	<u>1,797,084</u>
Net expense from movements in provision for		
Employee benefits increased/(decreased)	<u>(226,164)</u>	<u>78,719</u>
4. AUDITOR'S REMUNERATION		
During the year the following fees were paid or payable for services provided by the auditor:		
Audit Services		
Auditors of the company		
Audit and review of financial reports		
- W L Browne & Associates	<u>11,960</u>	<u>11,100</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	\$	\$
5. INCOME TAX		
(a) Income Tax Expense		
<p>The Income Tax Assessment Act, 1997 (amended) provides that under the concept of mutuality clubs are only liable for income tax on income derived from non-members and from outside entities.</p> <p>The amount set aside for income tax in the Statement of Comprehensive Income has been calculated as follows:</p>		
Proportion of income attributable to non-members	2,088,993	-
Less: Proportion of expenses attributable to non-members	<u>(1,023,415)</u>	<u>-</u>
	1,065,578	-
Add: Other taxable income	<u>162,305</u>	<u>102,995</u>
	1,227,883	102,995
Less: Other deductible expenses	<u>(955,504)</u>	<u>(737,033)</u>
Net taxable income	272,379	(634,038)
Less: Tax loss carried forward	<u>(1,523,163)</u>	<u>(889,125)</u>
Net taxable income/(tax loss)	<u>(1,250,784)</u>	<u>(1,523,163)</u>
Current income tax applicable to above at rate of 27.5%	-	-
Income tax expense	<u>-</u>	<u>-</u>
Income tax losses balance carried forward	<u>(1,250,784)</u>	<u>(1,523,163)</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	\$	\$
6. CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	<u>487,328</u>	<u>302,919</u>
7. TRADE AND OTHER RECEIVABLES		
Current		
Trade debtors	34,264	20,160
Sundry Debtors	<u>6,383</u>	<u>6,378</u>
	<u>40,647</u>	<u>26,538</u>
8. INVENTORIES		
Liquor stock on hand - at cost	66,648	71,536
Food stock on hand - at cost	59,658	63,992
Golf Shop	<u>56,818</u>	<u>-</u>
	<u>183,124</u>	<u>135,528</u>
9. OTHER ASSETS		
Current		
Prepayments	<u>168,284</u>	<u>135,542</u>
10. NON-CURRENT INTANGIBLE ASSETS		
Poker Machine Entitlements Purchased	<u>1,991,243</u>	<u>1,963,638</u>
Movement in Poker Machine Entitlements:		
Opening balance Poker Machine Entitlements		
Carrying amount at beginning of year	1,963,638	1,936,033
Additions at cost	<u>27,605</u>	<u>27,605</u>
Carrying amount at end of year	<u>1,991,243</u>	<u>1,963,638</u>

At the end of the reporting period the company assessed the recoverable amount of poker machine entitlements purchased based on the recoverable amount of cash generating units (poker machine) value in use based on an active market as at 31.03.23. Existing poker machine entitlement have not been re-valued, as such are reflected at cost. Entitlements have an indefinite life and amortisation need not be considered.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	\$	\$
11. PROPERTY, PLANT AND EQUIPMENT		
Freehold Land - Core Property		
<i>At Cost</i>	<u>9,150,000</u>	<u>9,150,000</u>
	<u>9,150,000</u>	<u>9,150,000</u>
Buildings and Improvements - Core Property		
<i>At Cost</i>	18,933,367	16,599,858
<i>Accumulated depreciation</i>	<u>(2,409,123)</u>	<u>(1,997,270)</u>
	<u>16,524,244</u>	<u>14,602,588</u>
Total Land, Buildings and Improvements - Core Property	<u>25,674,244</u>	<u>23,752,588</u>
Plant and Equipment		
<i>At Cost</i>	15,530,021	14,499,205
<i>Accumulated depreciation</i>	<u>(12,303,764)</u>	<u>(11,216,855)</u>
	<u>3,226,257</u>	<u>3,282,350</u>
Hire Purchase Assets		
<i>At Cost</i>	1,132,430	1,437,490
<i>Accumulated depreciation</i>	<u>(232,433)</u>	<u>(424,201)</u>
	<u>899,997</u>	<u>1,013,289</u>
Total property, plant and equipment net book value	<u>29,800,498</u>	<u>28,048,227</u>

Refer to Note 13 for details of security over property, plant and equipment

In accordance with Section 41J of the Registered Clubs Amendment Act 2006, the directors have determined that all freehold land and buildings held by the club forms part of the club's premises and the facilities provided by the club are for the use of its members and is therefore core property.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 \$	2022 \$
11. PROPERTY, PLANT AND EQUIPMENT (continued)			
Reconciliations			
Movements in Carrying Amounts			
Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are set out below:			
Freehold Land			
Carrying amount at beginning of year		9,150,000	4,500,000
Golf Club land acquired as part of amalgamation			4,650,000
Carrying amount at end of year		<u>9,150,000</u>	<u>9,150,000</u>
Buildings and Improvements			
Carrying amount at beginning of year		14,602,588	7,911,875
Additions		2,333,509	7,190,742
Depreciation		(411,853)	(321,389)
Disposals			(178,640)
Carrying amount at end of year		<u>16,524,244</u>	<u>14,602,588</u>
Plant and Equipment			
Carrying amount at beginning of year		3,282,350	2,778,348
Additions		942,963	1,466,259
Depreciation		(1,155,593)	(1,249,337)
Transfers		156,536	287,080
Carrying amount at end of year		<u>3,226,256</u>	<u>3,282,350</u>
Hire Purchase Assets			
Carrying amount at beginning of year		1,013,289	776,708
Additions		466,758	765,424
Transfers		(168,320)	(287,080)
Gain/Loss on disposal		(133,294)	(15,405)
Depreciation		(278,434)	(226,358)
Carrying amount at end of year		<u>899,999</u>	<u>1,013,289</u>
Total Carrying Amounts		<u>29,800,499</u>	<u>28,048,227</u>
12. TRADE AND OTHER PAYABLES			
Current			
Trade creditors		<u>2,720,446</u>	<u>3,537,501</u>
		<u>2,720,446</u>	<u>3,537,501</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	\$	\$
13. FINANCIAL LIABILITIES		
Current		
Chattel Mortgage - secured	322,879	285,554
Loan - NAB	<u>1,720,000</u>	<u>1,720,000</u>
	<u>2,042,879</u>	<u>2,005,554</u>
Non-Current		
Chattel Mortgage - secured	569,755	451,317
Loan - NAB	<u>10,268,624</u>	<u>8,382,406</u>
	<u>10,838,379</u>	<u>8,833,723</u>

The Chattel Mortgage liabilities are effectively secured as the rights of the assets revert to the financier in the event of a default. Refer Note 17 for maturity periods.

On 16 October 2020 the Club approved a refinancing application with the NAB. The facilities offered and approved are:-

1. NAB Corporate Markets Loan (drawn to \$6,490,000 at 31/3/2023)	7,750,000
2. NAB Corporate Markets Loan (drawn to \$5,498,624 at 31/3/2023)	5,500,000
3. NAB Business Overdraft (drawn to \$10,914 as at 31/3/2023)	600,000

All facilities are secured as First Registered Mortgage over the premises of Windsor RSL Club Ltd situated at 36 Argyle Street, South Windsor. In addition there is a General Security Agreement given by the Club over all present and after acquired property held.

14. EMPLOYEE BENEFITS

Aggregate liability for employee benefits including on-costs

Current	227,206	397,931
Non-current	<u>158,542</u>	<u>213,981</u>
	<u>385,748</u>	<u>611,912</u>
Number of employees at year end	<u>81</u>	<u>94</u>

Superannuation Plans

Contributions

The company is under a legal obligation to contribute 10% of each employee's base salary to a superannuation fund.

Employer contribution to the plans	<u>623,123</u>	<u>420,424</u>
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WINDSOR RSL CLUB LTD
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	\$	\$
15. RETAINED PROFITS		
Retained profits at the beginning of the year	13,119,217	10,237,207
Net profit attributable to members of the company	<u>1,059,970</u>	<u>2,882,010</u>
Retained profits at the end of the year	<u><u>14,179,187</u></u>	<u><u>13,119,217</u></u>
16. ASSET REVALUATION RESERVE		
Revaluation of Freehold Land	<u>2,504,485</u>	<u>2,504,485</u>
The asset revaluation reserve records the revaluation of non-current assets.		
17. COMMITMENTS		
Chattel Mortgage Commitments		
Payments are payable as follows:		
Within one year	422,344	339,379
One year or later and not later than five years	<u>569,755</u>	<u>451,317</u>
Minimum financial lease payments	<u>992,099</u>	<u>790,696</u>
Less: Future finance lease charges	<u>(99,465)</u>	<u>(53,825)</u>
Carrying amount of hire purchase liabilities	<u><u>892,634</u></u>	<u><u>736,871</u></u>

The company has acquired motor vehicles and trading equipment under financial asset purchase agreements expiring from one to three years. The facility is secured against the assets purchased under this facility as disclosed in Note 10, under Property, Plant and Equipment.

18. SEGMENT REPORTING

The company operates predominantly in the hospitality and entertainment industry.

The company's operations and customers are located predominantly in Sydney, New South Wales. The company provides food, beverage, gaming and other entertainment facilities to members and guests.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 \$	2022 \$
19. CASH FLOW INFORMATION			
(a) Reconciliation of Cash			
Cash as at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:			
Cash and cash equivalents		<u>487,328</u>	<u>302,919</u>
(b) Reconciliation of Net Cash Provided by Operating Activities with Profit after Income Tax			
Net Profit from Continuing operations after income tax		1,059,970	2,882,010
Add/(less) items classified as investing/financing activities:			
(Profit)/loss on sale of non-current assets		-	(73,687)
Profit on amalgamation Windsor Country Golf Club		-	(3,589,902)
Costs incurred on amalgamation Windsor Country Golf Club		-	(881,459)
Add/(less) non-cash items:			
Depreciation		<u>1,845,880</u>	<u>1,797,084</u>
Net cash provided by operating activities before change in assets and liabilities		2,905,850	134,046
Change in assets and liabilities during the financial year			
(Increase)/decrease in receivables		(14,106)	162
(Increase)/decrease in inventories		(47,596)	(41,613)
(Increase)/decrease in other assets		(32,742)	(54,935)
Increase/(decrease) in payables		(817,055)	2,032,009
Increase/(decrease) in employee benefits		<u>(226,164)</u>	<u>78,719</u>
Net cash flow from operating activities		<u>1,768,187</u>	<u>2,148,388</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

20. RELATED PARTIES

(a) Key Management Personnel

Any person having authority and responsibility for planning, directing and controlling the activities of the Club, directly or indirectly including any director (whether executive or otherwise) of that entity is considered key management personnel. The total of remuneration paid to key management personnel of the Club during the year are as follows:

	2023	2022
	\$	\$
Total Compensation	<u>710,356</u>	<u>781,335</u>

(b) Directors' Transactions with the Company

From time to time, directors of the company, or their director-related entities, may purchase goods from the company. These purchases are on the same terms and conditions as those entered into by other company employees or customers and are trivial or domestic in nature.

Apart from the details disclosed in this note, no director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

21. COMPANY DETAILS

The Club 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 \$4 per member in the event of the winding up of the company during the time that he is a member or within one year thereafter. At 31 March 2023 there were 52,241 members.

The registered office of the company is at 36 Argyle Street, South Windsor NSW 2756.

22. EVENTS SUBSEQUENT TO REPORTING DATE

There were no events subsequent to reporting date.