

Erina Rugby League Football Club Limited
ABN 19 000 845 410

Annual Report
For The Year Ended
30 September 2023

Erina Rugby League Football Club Limited
ABN 19 000 845 410

Annual Report
For The Year Ended 30 September 2023

	Page Number
Directors' Report	3
Auditors' Independence Declaration	6
Auditors' Report	7
Directors' Declaration.....	11
Statement of Profit or Loss & Other Comprehensive Income.....	12
Statement of Financial Position.....	13
Statement of Changes in Equity.....	14
Statement of Cash Flows.....	15
Notes To The Financial Statements.....	16

Erina Rugby League Football Club Limited
ABN 19 000 845 410

Directors' Report

Your Directors present the financial accounts of the company for the year ended 30 September 2023.

Directors

The names and details of Directors in office at the day of this report are:

Name	Particulars
James Savage	President, Company Director, aged 59, joined the Board in August 2011. During the financial year he attended 12 of the 12 Board meetings eligible for the Director to attend.
Stephen McGowan	Vice President, Company Director, aged 67, joined the Board in February 2009. During the financial year he attended 10 of the 12 Board meetings eligible for the Director to attend.
Anthony Lavette	Director, Company Director, aged 60, joined the Board in February 2015. During the financial year he attended 11 of the 12 Board meetings eligible for the Director to attend.
Glenn Deegan	Director, Company Director - Bricklayer, aged 57, joined the Board in February 2015. During the financial year he attended 0 of the 2 Board meetings eligible for the Director to attend. Resigned 8/12/2023.
Mark Besgrove	Director, Production Manager, aged 60 and joined the Board in February 2017. During the financial year he attended 0 of the 3 Board meetings eligible for the Director to attend. Resigned 23/01/2023.
John Creevey	Director, Company Director, aged 68, joined the Board in February 2019. During the financial year he attended 11 of the 12 Board meetings eligible for the Director to attend.
Daniel Stainton	Director, Company Director, aged 54, joined the Board in December 2021. During the financial year he attended 9 of the 12 Board meetings eligible for the Director to attend.
Joshua Lewis	Director, Company Director, aged 38, joined the Board in November 2022. During the financial year he attended 10 of the 12 Board meetings eligible for the Director to attend.

Directors have been in office since the start of the financial year unless otherwise stated.

Company Secretary

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

James Savage	Company Secretary, was appointed on 14 December 2021, resigned 10 November 2022. Reappointed 6 March 2023
Mark Martin	Company Secretary was appointed on 10 November 2022. Resigned 6 March 2023.

Erina Rugby League Football Club Limited

ABN 19 000 845 410

Directors' Report

Principal Activities

The principal activities of the company during the course of the financial year were to provide Registered Club services, whilst supporting and promoting the game of Rugby League and Community sports at both a senior and junior level.

No significant change in the nature of these activities occurred during the financial year.

Short-term and Long-term Objectives

The company's Short term objectives:

- Maintain and grow profitability
- Foster and promote the sport of rugby league and other sports

The company's Long term objectives:

- To grow and improve the participation and standard of rugby league and other sports at the club
- Maintain and improve profitability

Strategies

To achieve these through diversification the company has adopted the following strategies:

- To grow our Club's membership and increase the company's profitability.
- To diversify the Club's activities and seek to develop the Club's land

Key Performance Measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

Measures used by the company for its performance:

- Standard Club industry Key Performance Indicators including Gross Profit percentages, Wages percentages, EBIT and EBITDA etc.

Events subsequent to year end

The Directors continue the implementation of the Club's strategic and redevelopments plans with its professional advisors and Council. For the 2023 year, the club has incurred additional costs of \$46,509 to this end.

Other than the disclosure above and from the interval between the end of the financial year and the date of this report, no transactions or events of material and unusual nature have 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.

Dividends

Under the company's Constitution no dividend can be paid.

Erina Rugby League Football Club Limited

ABN 19 000 845 410

Directors' Report

Operating Results

The loss for the company for the financial year amounted to \$321,617 (2022 profit: \$35,782) and earnings before interest, tax and depreciation amounted to \$281,148 (2022: 698,633). The net trading loss for the licensed club before Football trading for the financial year amounted to \$95,219 (2022 profit: \$252,082) before the net loss from the Football trading of \$226,398 (2022: \$216,300) was applied.

Review of Operations

During the financial year the Club continued its core activities. The results from trading operations have been quite variable for the year as the club faced many challenges including employing & retaining staff and a reduction in trade due to the rising cost of living pressures.

Bar Trading:

Bar sales for the year totalled \$1,252,252 which is a decrease from 2022 of \$25,344 (-2%). The decrease in total turnover is principally attributable to a reduction in sales, caused by current economic conditions. The trading profit decreased by \$163,893 (-56%) to \$126,462.

Poker Machine Trading:

Net takings for the year totalled \$2,837,555 which is a decrease from 2022 of \$25,344 (-1%). The decrease in total turnover is again attributable to the reduction in trade caused by current economic conditions. The trading profit increased by \$77,231 (4%) to \$1,952,197.

Catering Trading:

Catering sales for the year totalled \$1,703,833 which is an increase from 2022 of \$290,476 (21%). This is due to the Club's new Kitchen team which has increased the quality of the Menu and regularly updates the Menu to reflect changes to seasonal produce. Also better buying practices have been introduced to ensure that we can help manage costs.

Membership

Total members for the year ended 30 September 2023 was 10,347 (2022: 8,660).

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$2.00 each towards meeting any outstanding obligations of the company.

As at 30 September 2023 the total amount that members of the company are liable to contribute of the company is wound up is \$20,694 (2022: \$17,320).

Erina Rugby League Football Club Limited
ABN 19 000 845 410

Directors' Report

Auditors Independence Declaration

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

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


President/Director

Dated at Erina on 15-11-23

**Auditors Independence Declaration
Under Section 307C of the Corporations Act 2001
to the Directors of Erina Rugby League Football Club Limited**

As lead auditor for the audit of Erina Rugby League Club Limited for the year ended 30 September 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

FORTUNITY ASSURANCE



Adrian Thompson
Partner

155 The Entrance Road
ERINA NSW 2250

Dated: 15 November 2023

Independent Auditor's Report to the Members Of Erina Rugby League Football Club Limited

Report on the Financial Report

Opinion

We have audited the financial report of Erina Rugby League Football Club Limited (the company), which comprises the statement of financial position as at 30 September, 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 Erina Rugby League Football 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 30 September, 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 Erina Rugby League Football 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 30 September 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 Erina Rugby League Football 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.

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 Erina Rugby League Football 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.

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: 15 November 2023

Erina Rugby League Football Club Limited
ABN 19 000 845 410

Directors' Declaration

The directors of the company declare that:

1. The financial report and notes, as set out on pages 12 to 33 are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards – Simplified Disclosure Requirements; and
 - (a) give a true and fair view of the financial position as at 30 September 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.


President/Director

15-11-23

Dated at Erina on

Erina Rugby League Football Club Limited
ABN 19 000 845 410

Statement of Profit or Loss & Other Comprehensive Income
For The Year Ended 30 September 2023

	Note	2023 \$	2022 \$
Revenue	2	6,322,344	6,132,881
Consumables used – Cost of Goods Sold	3	(1,374,018)	(1,152,608)
Employee benefits expenses		(2,321,999)	(1,813,453)
Poker machine duty		(467,026)	(447,566)
Repairs and maintenance		(183,162)	(253,436)
Football expenses		(355,974)	(320,237)
Power and gas		(142,755)	(138,966)
Other operating expenses		(1,196,262)	(1,307,982)
Earnings before depreciation and interest		281,148	698,633
Depreciation & amortisation	3	(577,668)	(605,182)
Interest	3	(25,097)	(57,669)
Operating surplus before income tax		(321,617)	35,782
Income tax expense	1(i)	-	-
Net surplus for the year after income tax		(321,617)	35,782
Revaluation of freehold land		8,075,000	-
Total comprehensive surplus for the year		7,753,383	35,782

The accompanying notes form part of these financial statements.

Erina Rugby League Football Club Limited
ABN 19 000 845 410

Statement of Financial Position
As At 30 September 2023

	Note	2023 \$	2022 \$
Current Assets			
Cash and cash equivalents	4	437,804	273,899
Trade & other receivables	5	89,083	49,267
Inventories	6	56,692	101,829
Other current assets	7	103,543	50,430
Total Current Assets		<u>687,122</u>	<u>475,425</u>
Non-Current Assets			
Property, plant & equipment	8	17,113,510	9,412,675
Total Non-Current Assets		<u>17,113,510</u>	<u>9,412,675</u>
Total Assets		<u>17,800,632</u>	<u>9,888,100</u>
Current Liabilities			
Trade and other payables	9	612,049	571,929
Borrowings	10	126,181	184,626
Provisions for employee benefits	11	167,594	172,717
Total Current Liabilities		<u>905,824</u>	<u>929,272</u>
Non-Current Liabilities			
Trade and other payables	9	26,150	17,054
Borrowings	10	303,426	130,637
Provisions for employee benefits	11	13,382	12,670
Total Non-Current Liabilities		<u>342,958</u>	<u>160,361</u>
Total Liabilities		<u>1,248,782</u>	<u>1,089,633</u>
Net Assets		<u>16,551,850</u>	<u>8,798,467</u>
Equity			
Retained earnings	12	5,115,622	5,437,239
Reserves	13	11,436,228	3,361,228
Total Equity		<u>16,551,850</u>	<u>8,798,467</u>

The accompanying notes form part of these financial statements

Erina Rugby League Football Club Limited
ABN 19 000 845 410

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

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 30 September 2021	5,401,457	3,361,228	8,762,685
Other Comprehensive Income	-	-	-
Surplus for the year attributable to members of the company	35,782	-	35,782
Balance at 30 September 2022	<u>5,437,239</u>	<u>3,361,228</u>	<u>8,798,467</u>
Other Comprehensive Income	-	8,075,000	8,075,000
Surplus for the year attributable to members of the company	(321,617)	-	(321,617)
Balance at 30 September 2023	<u>5,115,622</u>	<u>11,436,228</u>	<u>16,551,850</u>

The accompanying notes form part of these financial statements.

Erina Rugby League Football Club Limited
ABN 19 000 845 410

Statement of Cash Flows
For The Year Ended 30 September 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from members, customers & guests		6,769,652	6,626,958
Payments to suppliers & employees		(6,268,524)	(5,576,325)
Interest received		445	90
Finance costs – Interest paid		(25,097)	(57,669)
Football receipts		132,562	113,092
Football payments		(355,974)	(320,237)
Net cash provided by operating activities	19 (b)	253,064	785,909
Cash flows from investing activities			
Proceeds from sale of plant & equipment		-	50,000
Payment for property, plant and equipment		(203,503)	(774,591)
Net cash used in investing activities		(203,503)	(724,591)
Cash flows from financing activities			
Proceeds from borrowings		313,965	153,502
Repayment of borrowings		(199,621)	(1,661,325)
Net cash (used in) / provided by financing activities		114,344	(1,507,823)
Net increase or decrease in cash held		163,905	(1,446,505)
Cash at beginning of the financial year		273,899	1,720,404
Cash at the end of the financial year	19 (a)	437,804	273,899

The accompanying notes form part of these financial statements.

Erina Rugby League Football Club Limited

ABN 19 000 845 410

Notes To The Financial Statements For The Year Ended 30 September 2023

Note 1. Summary of Significant Accounting Policies

Basis of Preparation

Erina Rugby League Football Club Limited applies Australian Accounting Standards – Simplified Disclosure Requirements as set out in AASB 1060: *Application of Tiers of Australian Accounting Standards*.

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.

The financial statements were authorised for issue on 15 November 2023 by the directors of the company.

Accounting Policies

(a) Revenue

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

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

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.

Erina Rugby League Football Club Limited
ABN 19 000 845 410

Notes To The Financial Statements
For The Year Ended 30 September 2023

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

(a) Revenue (cont'd)

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

- Recognises 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) Inventories

Inventories are measured at the lower value of cost and current replacement cost. Inventories held for distribution are measured at cost adjusted, when applicable, for any loss of service potential.

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

(c) Property, Plant and Equipment

Each class of Property, Plant and Equipment is carried at cost or fair values as indicated, at independent valuation, less, where applicable accumulated depreciation and impairment losses.

Property

Buildings and Improvements are measured on the basis of cost. Freehold Land was measured at an independent valuation by Mr Christopher Smith and Mrs Belinda Richardson of Robertson & Robertson, registered valuer, such valuation was carried out on 5 September 2022. The valuation has been taken up in the financial statements for the year ended 30 September 2023.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit and loss.

As the revalued buildings are depreciated the difference between depreciation recognised in the Statement of Comprehensive Income, which is based on the revalued carrying amount of the asset, and the depreciation based on the asset's original cost is transferred from the revaluation surplus to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Erina Rugby League Football Club Limited
ABN 19 000 845 410

Notes To The Financial Statements
For The Year Ended 30 September 2023

Note 1. Summary Of Accounting Policies (cont'd)

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

Property (cont'd)

Plant and Equipment

Plant and Equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in either profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment recoverable amount is made when impairment indicators are present (refer to Note 1 (e) for details of impairment). Plant and equipment that have been contributed at no cost are recognised at their fair value of the asset at the date it is acquired.

Depreciation

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

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

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Buildings	2%
Plant and Equipment	5 – 20%
Poker Machines	20%
Leased Plant and Equipment	20%
Landscaping	5%

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

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

Erina Rugby League Football Club Limited
ABN 19 000 845 410

Notes To The Financial Statements
For The Year Ended 30 September 2023

Note 1. Summary Of Accounting Policies (cont'd)

(d) 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 instruments, 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. Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans and borrowings are classified as non-current.

(e) 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 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.

Erina Rugby League Football Club Limited
ABN 19 000 845 410

Notes To The Financial Statements
For The Year Ended 30 September 2023

Note 1. Summary Of Accounting Policies (cont'd)

(f) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled wholly within the 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

Other long-term benefits

The liability for long service leave not expected to be settled within 12 months of the reporting date is recognised as non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of the expected future payments to be made in respect of services provided by employee 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 bodies with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(g) 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.

(h) 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.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO 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.

(i) Income Tax

Under present legislation income derived by the Company is not assessable to income tax as per an exemption granted by the Australian Taxation Office under Division 50 of the *Income Tax Assessment Act 1997*.

Erina Rugby League Football Club Limited
ABN 19 000 845 410

Notes To The Financial Statements
For The Year Ended 30 September 2023

Note 1. Summary Of Accounting Policies (cont'd)

(j) Comparative Figures

When required by accounting standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(k) Trade and Other Receivables

Trade and other debtors include amounts 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.

(l) 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.

(m) New Accounting Standards and Interpretations

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. There were no Accounting Standards and or Interpretations which will have or have had a material impact on the Club for the year.

(n) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events are based on current trends and economic data, obtained both externally and within the entity.

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.

Erina Rugby League Football Club Limited
ABN 19 000 845 410

Notes To The Financial Statements
For The Year Ended 30 September 2023

Note 1. Summary Of Accounting Policies (cont'd)

(n) Critical accounting estimates and judgements (cont'd)

Employee benefits provision

As discussed in Note 1 (f), 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.

	2023	2022
	\$	\$
Note 2. Revenue		
Sales Revenue:		
Sale of Goods - Bar	1,252,252	1,277,380
Net Clearances - Poker Machines	2,837,555	2,862,899
Sale of Goods - Catering	1,703,879	1,413,124
Functions - Income	62,702	96,490
	<u>5,856,388</u>	<u>5,649,893</u>
Commission - Keno	75,518	53,729
Commission - Tab	14,236	16,362
Commission - Other	71,558	81,755
Courtesy Bus	-	-
Football Trading	132,562	113,092
Social and Promotions Income	85,751	96,271
Members Subscriptions	42,397	28,945
Interest Received	445	90
	<u>422,467</u>	<u>390,244</u>
Other Income		
Sundry Income	43,489	18,875
Government Subsidies	-	73,869
Net Gain on Disposal of Non-Current Assets	-	-
	<u>43,489</u>	<u>92,744</u>
Total Revenue and Other Income	<u>6,322,344</u>	<u>6,132,881</u>

Erina Rugby League Football Club Limited
ABN 19 000 845 410

Notes To The Financial Statements
For The Year Ended 30 September 2023

	2023 \$	2022 \$
Note 3. Surplus for the Year		
(a) Expenses:		
Cost of Sales	1,374,018	1,152,608
Interest expense	<u>25,097</u>	<u>57,669</u>
Depreciation and Amortisation:		
- buildings	246,897	237,799
- plant and equipment & motor vehicle	123,308	128,874
- poker machines	207,463	238,509
Total Depreciation and Amortisation	<u>577,668</u>	<u>605,182</u>
(b) Significant Revenue and Expenses		
Net gain / (loss) on disposal of non-current assets:		
Proceeds on disposal	-	50,000
Carrying value on disposal	-	(75,782)
Net (loss) / gain on disposals	<u>-</u>	<u>(25,782)</u>
Note 4. Cash and Cash Equivalents		
Cash on hand	130,000	130,000
Cash at bank	307,804	143,899
Total cash and cash equivalents as stated in the statement of financial position	<u>437,804</u>	<u>273,899</u>
Note 5. Trade & Other Receivables		
Other Debtors	89,083	49,267
Total Trade & Other Receivables	<u>89,083</u>	<u>49,267</u>
(i) Credit Risk-Accounts Receivable and Other Debtors		

The company does not have any material credit risk exposure to any single receivable or group of receivables.

Erina Rugby League Football Club Limited
ABN 19 000 845 410

Notes To The Financial Statements
For The Year Ended 30 September 2023

	2023 \$	2022 \$
Note 6. Inventories		
Current – at Cost		
Bar	43,423	84,029
Catering – Restaurant	10,419	10,000
Catering – Café	850	800
Promotions	-	-
Football	2,000	7,000
Total Inventories	<u>56,692</u>	<u>101,829</u>
Note 7. Other Current Assets		
Prepayments	103,543	50,430
Total Other Current Assets	<u>103,543</u>	<u>50,430</u>
Note 8. Property, Plant & Equipment		
Freehold land - at valuation	11,500,000	3,425,000
Buildings - at cost	8,330,282	8,176,349
Less accumulated depreciation	(4,012,337)	(3,765,438)
Total Land and Buildings	<u>15,817,945</u>	<u>7,835,911</u>
Plant & Equipment - at cost	2,313,139	2,265,765
Less accumulated depreciation	(1,783,945)	(1,660,637)
Total Plant & Equipment	<u>529,194</u>	<u>605,128</u>
Poker Machines - at cost	3,079,532	3,021,382
Less accumulated depreciation	(2,683,185)	(2,475,722)
Total Poker Machines	<u>396,347</u>	<u>545,660</u>
Work in progress	370,024	425,976
Net Written Down Value of all Property, Plant & Equipment	<u>17,113,510</u>	<u>9,412,675</u>

Erina Rugby League Football Club Limited
ABN 19 000 845 410

Notes To The Financial Statements
For The Year Ended 30 September 2023

Note 8. Property, Plant & Equipment (cont'd)

Current Value of Freehold Land

Based on a valuation performed by Mr Christopher Smith and Mrs Belinda Richardson of Robertson & Robertson on 5 September 2022, the value of land is \$11,500,000. The valuation was performed on the basis of current market buying values. The valuation has not been taken up in the financial statements. The revaluation was not made in accordance with a policy of regular revaluations.

As per Section S41 j(3) of the Registered Clubs Act the Board of Directors of Erina Rugby League Football Club Limited declare that as of 30 September 2023 the company owned the following property assets classified as below.

Current use	Classification
Main Club	Land & Buildings

Movements in Carrying Amounts

2023	Freehold Land & Buildings \$	Plant & Equipment \$	Poker Machines \$	Work in Progress \$	Total \$
Opening Balance	7,835,911	605,128	545,660	425,976	9,412,675
Additions at cost	97,981	47,374	58,150	-	203,505
Revaluation of Land	8,075,000	-	-	-	8,075,000
Disposals & Transfers	55,592	-	-	(55,952)	-
Depreciation expense	(246,899)	(123,308)	(207,463)	-	(577,670)
Carrying amount at end of year	15,817,945	529,194	396,347	370,024	17,113,510

Erina Rugby League Football Club Limited
ABN 19 000 845 410

Notes To The Financial Statements
For The Year Ended 30 September 2023

	2023 \$	2022 \$
Note 9. Trade and Other Payables		
Current:		
Unsecured:		
Trade payables and accrued expenses	592,211	554,875
Revenue received in advance	19,838	17,054
Total Trade and Other Payables	<u>612,049</u>	<u>571,929</u>
Non-current:		
Unsecured:		
Revenue received in advance	26,150	17,054
Total Trade and Other Payables	<u>638,199</u>	<u>588,983</u>
Note 10. Borrowings		
Current:		
Secured:		
Hire Purchase Liabilities (a)	126,181	184,626
Loan - Bank (a)	-	-
	<u>126,181</u>	<u>184,626</u>
Non-Current:		
Secured:		
Hire Purchase Liabilities (a)	53,426	130,637
Loan - Bank (a)	250,000	-
	<u>303,426</u>	<u>130,637</u>
Total Borrowings	<u>429,607</u>	<u>315,263</u>

Secured Liabilities

- (a) Hire Purchase agreements secured over the purchase of new poker machine additions. At the end of the financial year, five hire purchase agreements were 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.

Erina Rugby League Football Club Limited
ABN 19 000 845 410

Notes To The Financial Statements
For The Year Ended 30 September 2023

	2023	2022
	\$	\$
Note 11. Provisions for Employee Benefits		
Current:		
Annual leave entitlements	71,969	61,603
Long service leave entitlements	84,875	76,114
Honorariums	10,750	35,000
	<u>167,594</u>	<u>172,717</u>
Non-Current:		
Long service leave entitlements	13,382	12,670
Total leave entitlements	<u>180,976</u>	<u>185,387</u>

Employee benefits represent amounts accrued for annual and long service leave.

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1(f) to these financial statements.

Note 12. Retained Earnings

Retained Earnings at the beginning of the financial year	5,437,239	5,401,457
Net surplus for the year	321,617	35,782
Retained Earnings at the end of the financial year	<u>5,115,622</u>	<u>5,437,239</u>

Note 13. Reserves

Asset Revaluation Reserve at the beginning of the year	3,361,228	3,361,228
Movement for the year	8,075,000	-
Asset Revaluation Reserve at the end of the year	<u>11,436,228</u>	<u>3,361,228</u>

Asset Revaluation Reserve

The asset revaluation reserve records the re-valuation increments and decrements (that do not represent impairment write-downs) that relate to assets such as property, plant and equipment (non-current assets).

Erina Rugby League Football Club Limited
ABN 19 000 845 410

Notes To The Financial Statements
For The Year Ended 30 September 2023

	2023	2022
	\$	\$

Note 14. Related Party Disclosures

(a) Loans to Directors

The directors of Erina Rugby League Football Club Limited during the year were:

J Savage	S McGowan	A Lavette
J Creevey	D Stainton	J Lewis

Aggregate income received, or due and receivable, by the directors of the company in connection with:

Honorariums	Nil	30,000
	<hr/>	<hr/>

(b) Key Management Personnel Compensation

Total remuneration received or due and receivable by key management of the company, including redundancy and other payments, for management of the affairs of the company.

Total Compensation	264,038	223,447
	<hr/>	<hr/>

Note 15. Related Party Disclosures

(a) Loans to Directors

Loans in existence at balance date to directors of the company

Nil	Nil
<hr/>	<hr/>

(b) Transactions with Related Parties - Directors

Types of Terms & Transaction	Class of Conditions	Related Party		
Purchases & Meals, Drinks, Education & Training	Normal Commercial Terms	Directors	72	1,210
Maintenance & Goods	Director – Related entity	Directors	80,380	20,459
			<hr/>	<hr/>

Erina Rugby League Football Club Limited
ABN 19 000 845 410

Notes To The Financial Statements
For The Year Ended 30 September 2023

	Note	2023 \$	2022 \$
Note 15. Related Party Disclosures (cont'd)			
(b) Transactions with Related Parties - Directors			
<ul style="list-style-type: none">- The Directors purchased goods from the company on the same terms and conditions available to the company's employees, members and guests.- Any general repairs and maintenance services provided by Director related entities are discussed, quoted, and approved by the Directors prior to work commencing.- Ad hoc emergency repairs are included within the total value of services provided and disclosed above.			

Note 16. Contingent Liabilities

Bank Guarantee

The Company has provided Bank Guarantees in relation to the following:

Indemnity guarantee to TAB	5,000	5,000
	<u>5,000</u>	<u>5,000</u>

Note 17. Financial Reporting By Segments

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

Note 18. Financial Risk Management

Financial Assets

Cash & Cash Equivalents	4	437,804	273,899
Trade and other debtors	5	89,083	49,267
Total Financial Assets		<u>526,887</u>	<u>323,166</u>

Erina Rugby League Football Club Limited
ABN 19 000 845 410

Notes To The Financial Statements
For The Year Ended 30 September 2023

	Note	2023 \$	2022 \$
Note 18. Financial Risk Management (cont'd)			
Financial Liabilities			
Trade and other payables	9	638,199	588,983
Borrowings	10	429,607	315,263
Total Financial Liabilities		1,067,806	904,246

The company does not have any derivative instruments at 30 September 2023.

Note 19. Cash Flow Information

(a) Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows:

Cash on Hand	130,000	130,000
Cash at Bank	307,804	143,899
Total Cash & Cash Equivalents	437,804	273,899

**(b) Reconciliation of Cash Flow from Operations
With Current Year Surplus after income tax**

Profit / (loss) after income tax	(321,617)	35,782
Non-cash flows:		
Depreciation and Amortisation	577,668	605,182
Net loss/(gain) on disposal of Property, Plant and Equipment		25,062

Change in net assets and liabilities:

(Increase)/Decrease in Trade and Other Debtors	(39,816)	(15,147)
(Increase)/Decrease in Inventories	45,137	(19,269)
(Increase)/Decrease in Other Current Assets	(53,113)	(39,473)
Increase/(Decrease) in Trade and Other Payables	49,216	361,943
Increase/(Decrease) in Provisions for Employee Benefits	(4,411)	(168,171)

Cash Flows provided by operating activities	253,064	785,909
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Erina Rugby League Football Club Limited
ABN 19 000 845 410

Notes To The Financial Statements
For The Year Ended 30 September 2023

	2023 \$	2022 \$
Note 19. Cash Flow Information (cont'd)		
(c) Financing Facilities		
As at the end of the financial year the Company had the following facilities available to it:		
(i) Asset Purchase facilities	500,000	500,000
Amount Utilised	(179,607)	(315,263)
Unused credit facility	<u>320,393</u>	<u>184,737</u>
(ii) Loan Facilities		
Bank Loan	1,600,000	1,500,000
Amount Utilised	(250,000)	-
Unused credit facility	<u>1,350,000</u>	<u>1,500,000</u>

The bank loan facilities mature on 30 April 2027 but may be extended by mutual agreement. The company continues to undertake negotiations with the bank to amend its finance facilities as it continues with its redevelopment plans at the date of approval of these financial statements.

The Asset Purchase facilities mature at different dates but may be extended by mutual agreement. The Directors of the Company are of the opinion that the Asset Purchase facilities will be maintained after 30 April 2027.

Note 20. Company Details

The registered office of the company is:

Erina Rugby League Football Club Limited
Ilya Avenue
ERINA NSW 2250

The principle place of business is:

Erina Rugby League Football Club Limited
Ilya Avenue
ERINA NSW 2250

Erina Rugby League Football Club Limited
ABN 19 000 845 410

Notes To The Financial Statements
For The Year Ended 30 September 2023

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 \$2 per member towards meeting any outstanding and obligations of the company. At 30 September 2023 there were 10,347 members.

Note 22. Events After the Reporting Period

The Directors continue implementation of the Club strategic, and redevelopments plans with its professional advisors and Council. For the 2023 year, the club has incurred additional costs of \$46,509 to this end. The Directors will be releasing further details of the redevelopment plan as plans and approvals progress.

Other than the disclosure above and from the interval between the end of the financial year and the date of this report, no transactions or events of material and unusual nature have 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.