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LEAGUES
CLUB

ANNUAL REPORT 2024

18 ILYA AVE,
ERINA NSW 2250



Erina Rugby League Football Club Limited
ABN 19 000 845 410

Annual Report
For The Year Ended
30 September 2024

Erina Rugby League Football Club Limited
ABN 19 000 845 410

Annual Report
For The Year Ended 30 September 2024

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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 2024.

Directors

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

Name	Particulars
Joshua Lewis	President, Company Director, aged 39, joined the Board in November 2022. During the financial year he attended 11 of the 12 Board meetings eligible for the Director to attend.
Stephen McGowan	Vice President, Company Director, aged 68, joined the Board in February 2009. During the financial year he attended 12 of the 12 Board meetings eligible for the Director to attend - resigned 30/08/2024.
Anthony Lavette	Director, Company Director, aged 61, joined the Board in February 2015. During the financial year he attended 11 of the 12 Board meetings eligible for the Director to attend.
John Creevey	Director, Company Director, aged 69, joined the Board in February 2019. During the financial year he attended 12 of the 12 Board meetings eligible for the Director to attend.
Michael Ahearn	Director, Company Director, aged 36, joined the Board in April 2024. During the financial year he attended 5 of the 6 Board meetings eligible for the Director to attend – appointed 05/04/2024.
Stuart Mitchell	Director, Company Director, aged 54 and joined the Board in April 2024. During the financial year he attended 6 of the 6 Board meetings eligible for the Director to attend – appointed 05/04/2024.
Cameron Louis	Director, Company Director, aged 52 and joined the Board in June 2024. During the financial year he attended 4 of the 4 Board meetings eligible for the Director to attend – appointed 05/06/2024.

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, Resigned 3 April 2024.
Stephen McGowan	Company Secretary, was appointed on 3 April 2024. Resigned 30 August 2024.
Anthony Jeffcott	Company Secretary, was appointed on 30 August 2024.

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.

Erina Rugby League Football Club Limited

ABN 19 000 845 410

Directors' Report

Short-term and Long-term Objectives

The company's Short term objectives:

- 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 on the Central Coast and other sports at the club.
- Improve profitability.

Strategies

To grow our Club's membership, diversify its revenue and increase the company's profitability.

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

In 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.

Operating Results

The deficit for the company for the financial year amounted to \$923,906 (2023 deficit: \$321,617). The results of the Club is explained below by consideration from an earnings perspective, by adding back interest, tax, depreciation, impairment and re-valuation.

Earnings Before Interest, Tax, Depreciation & Amortisation – EBITDA	EBITDA 2024	EBITDA 2023
Operating (deficit) after income tax	(\$923,906)	(\$321,617)
Add: Depreciation	\$607,055	\$577,668
Interest paid	\$40,202	\$25,097
Taxation	-	-
Impairment of re-development costs	\$370,024	-
Less: interest earned	(\$1,311)	(\$445)
EBITDA - \$ terms	\$92,064	\$280,703
EBITDA - % terms of total revenue	1.3%	4.4%

Erina Rugby League Football Club Limited
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Directors' Report

Review of Operations

During the financial year the Club continued its core activities of hospitality and gaming. The results from trading operations have fluctuated and when compared to Club trading history the growth in revenue has not match the increased operating cost of running a licensed Club. The Club faced many operational challenges including employing and retaining staff, recruitment of the Club's new CEO Anthony Jeffcott, operational costs from rugby league and reduction in trade activity due to the impact of rising cost of living pressures has had on discretionary spending of patrons.

Bar Trading:

Bar sales for the year totalled \$1,320,298 which is an increase from 2023 of \$1,252,252 (5%). The increase in total turnover is principally attributable to an increase in prices, rather than volume of beverages sold. The trading profit decreased from \$126,462 to \$105,472.

Poker Machine Trading:

Net takings for the year totalled \$3,135,781 which is an increase from 2023 of \$2,837,555 (11%). The increased in total turnover is attributed to the club investment in new gaming products and attractiveness of the Club's gaming area to members. The trading profit increased by \$142,046 (7%) to \$2,094,243.

Catering Trading:

Catering sales for the year totalled \$1,832,909 which is an increase from 2023 of \$129,076 (8%). This is can be attributed to the Club's new menu and catering team which has increased the quality of the menu and improved purchasing practices which is helping manage costs.

Membership

Total members for the year ended 30 September 2024 was 9,897 (2023: 10,347).

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 2024 the total amount that members of the company are liable to contribute of the company is wound up is \$19,794 (2023: \$20,694).

Auditors Independence Declaration

The Lead auditor's independence declaration for the year ended 30 September 2024 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

19/12/2024

**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 2024, 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: 19 December 2024

**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 2024, 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 material 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 2024 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates the following circumstances apply to the Company:

- The Company incurred a net deficit of \$923,9061 for the year ended 30 September 2024.
- The current liabilities of the Company, exceeds the current assets by \$370,565.
- The Company incurred net cash inflows of \$289,198 from trading activity and net cash out flows from investing and financing activities of (\$69,599) for the year ended 30 September 2024.
- The Company has a cash balance of \$657,403 at 30 September 2024, whilst increasing the utilisation of the Clubs loan facilities by \$300,000, to \$550,000 and increasing the utilisation of hire purchase facilities to \$474,766.
- As set out in Note 1, the Director have concluded that with the support of its members, the local community and its bankers.

As stated in Note 1, these events or conditions listed above, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Independent Audit Report To The Members
Of Erina Rugby League Football Club Limited**

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 2024 but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this 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: 19 December 2024

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 11 to 29 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 2024 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

Dated at Erina on

19/12/2024

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 2024

	Note	2024 \$	2023 \$
Revenue	2	6,876,663	6,322,344
Consumables used – Cost of Goods Sold	3	(1,393,118)	(1,374,018)
Employee benefits expenses		(2,727,742)	(2,321,999)
Poker machine duty		(521,923)	(467,026)
Repairs and maintenance		(207,757)	(183,162)
Football expenses		(297,104)	(355,974)
Power and gas		(145,877)	(142,755)
Other operating expenses		(1,489,767)	(1,196,262)
Earnings before depreciation, impairment and interest		(93,375)	281,148
Depreciation & amortisation	3	(607,055)	(577,668)
Impairment of re-development costs*	3	(370,024)	-
Interest	3	(40,202)	(25,097)
Operating deficit before income tax		(923,906)	(321,617)
Income tax expense	1(i)	-	-
Net deficit for the year after income tax		(923,906)	(321,617)
Revaluation of freehold land		-	8,075,000
Total comprehensive deficit for the year		(923,906)	7,753,383

*During the year, the company impaired capitalised costs associated with re-developing the Club's present site located at 18 Ilya Ave, Erina Australia. These costs were incurred and accumulated in prior years and impaired after the Directors have elected to not pursue this strategy.

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 2024

	Note	2024 \$	2023 \$
Current Assets			
Cash and cash equivalents	4	657,403	437,804
Trade & other receivables	5	89,634	89,083
Inventories	6	63,713	56,692
Other current assets		188,733	103,543
Total Current Assets		999,483	687,122
Non-Current Assets			
Property, plant & equipment	7	16,981,160	17,113,510
Total Non-Current Assets		16,981,160	17,113,510
Total Assets		17,980,643	17,800,632
Current Liabilities			
Trade and other payables	8	937,081	612,049
Borrowings	9	253,173	126,181
Provisions for employee benefits	10	179,794	167,594
Total Current Liabilities		1,370,048	905,824
Non-Current Liabilities			
Trade and other payables	8	-	26,150
Borrowings	9	955,374	303,426
Provisions for employee benefits	10	27,277	13,382
Total Non-Current Liabilities		982,651	342,958
Total Liabilities		2,352,699	1,248,782
Net Assets		15,627,944	16,551,850
Equity			
Retained earnings		4,191,716	5,115,622
Reserves	11	11,436,228	11,436,228
Total Equity		15,627,944	16,551,850

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 2024

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 30 September 2022	5,437,239	3,361,228	8,798,467
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>
Other Comprehensive Income	-	-	-
Surplus for the year attributable to members of the company	923,906	-	923,906
Balance at 30 September 2024	<u>4,191,716</u>	<u>11,436,228</u>	<u>15,627,944</u>

The accompanying notes form part of these financial statements.

Erina Rugby League Football Club Limited
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Statement of Cash Flows
For The Year Ended 30 September 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from members, customers & guests		7,435,037	6,769,652
Payments to suppliers & employees		(6,939,058)	(6,268,524)
Interest received		1,311	445
Finance costs – Interest paid		(40,202)	(25,097)
Football receipts		129,214	132,562
Football payments		(297,104)	(355,947)
Net cash provided by operating activities	19 (b)	289,198	253,064
Cash flows from investing activities			
Proceeds from sale of plant & equipment		364	-
Payment for property, plant and equipment*	7	(844,729)	(203,503)
Net cash used in investing activities		(844,365)	(203,503)
Cash flows from financing activities			
Proceeds from borrowings		972,668	313,965
Repayment of borrowings		(197,902)	(199,621)
Net cash (used in) / provided by financing activities		774,766	114,344
Net increase or decrease in cash held		219,599	163,905
Cash at beginning of the financial year		437,804	273,899
Cash at the end of the financial year	19 (a)	657,403	437,804

*refer to Note 7 for breakdown of assets purchased during the year by class of asset.

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 2024

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 December 2024 by the directors of the company.

Going Concern

The financial report has been prepared on a going concern basis, which considers continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

As at 30 September 2024, the Club's total current liabilities exceeded the total current assets by \$370,565 (2023: \$218,702) and has incurred an increase in non-current liabilities of \$639,693 for the year then ended. In addition, the Club made a deficit before comprehensive income for the year ended 30 September 2024 of \$923,906 (2023: \$321,617), while generating \$289,198 in positive cash flows from trading activities (2023: \$253,064). The Directors and management are aware that the Club's earnings are below expectations and the Club is implementing the following strategies to improve the long-term financial performance of the Club.

- The Club is completing renovation and improvements to the Club's facilities to ensure the Club is a comfortable and welcoming venue for members and guests.
- The Club has made significant investment into the Club gaming machines, to ensure that the newest products are available for patrons while ensuring compliance with laws and regulations.
- The Club has commenced implementation of improvement initiatives which should see a general improvement in the Clubs gross profit margins, while reducing employment costs and overheads.
- The Club is implementing a dedicated football committee to better manage football operations and reduce the trading losses from fielding the Club's senior teams.
- The Directors are presently reviewing the constitution and Club policy and procedures to ensure that internal governance structures and processes of the Club are in line with best practice and ensure long term sustainability of the Club.

Based on the above circumstances the directors have concluded that the use of the going concern assumption in the preparation of this year's financial report is appropriate, however note material uncertainty applies to this conclusion. The Directors also believe that the Club will be able to continue as a going concern with support from its members, the local community, and the support of its bankers.

Erina Rugby League Football Club Limited
ABN 19 000 845 410

Notes To The Financial Statements
For The Year Ended 30 September 2024

Accounting Policies

(a) Revenue

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

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

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

Where both these conditions are satisfied the Company;

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

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) 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 2023 and was recognised at fair value 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.

Erina Rugby League Football Club Limited
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Notes To The Financial Statements
For The Year Ended 30 September 2024

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

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

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.

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(d) 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.

(c) 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.

Erina Rugby League Football Club Limited
ABN 19 000 845 410

Notes To The Financial Statements
For The Year Ended 30 September 2024

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

(c) Financial Instruments (cont'd)

Financial assets

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.

(d) 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.

(e) 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.

(f) 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*.

(g) Comparative Figures

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

Erina Rugby League Football Club Limited
ABN 19 000 845 410

Notes To The Financial Statements
For The Year Ended 30 September 2024

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

(h) 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.

(i) 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.

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

Employee benefits provision

As discussed in Note 11, 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.

	2024	2023
	\$	\$
Note 2. Revenue		
Sales Revenue:		
Sale of Goods - Bar	1,320,298	1,252,252
Net Clearances - Poker Machines	3,135,781	2,837,555
Sale of Goods - Catering	1,836,663	1,703,879
Functions - Income	80,285	62,702
	<u>6,373,027</u>	<u>5,856,388</u>

Erina Rugby League Football Club Limited
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Notes To The Financial Statements
For The Year Ended 30 September 2024

	2024	2023
	\$	\$
Note 2. Revenue (cont'd)		
Commission - Keno	62,200	75,518
Commission - Tab	27,961	14,236
Commission - Other	62,023	71,558
Football Trading	129,214	132,562
Social and Promotions Income	117,823	85,751
Members Subscriptions	42,144	42,397
Interest Received	1,311	445
	442,676	422,467
Other Income		
Sundry Income	60,596	43,489
Net Gain on Disposal of Non-Current Assets	364	-
	60,960	43,489
Total Revenue and Other Income	6,876,663	6,322,344
 Note 3. Surplus for the Year		
(a) Expenses:		
Cost of Sales	1,394,037	1,374,018
Interest expense	40,202	25,097
Depreciation and Amortisation:		
- buildings	265,257	246,897
- plant and equipment & motor vehicle	129,608	123,308
- poker machines	212,190	207,463
Total Depreciation and Amortisation	607,055	577,668
 (b) Significant Revenue and Expenses		
Net gain / (loss) on disposal of non-current assets:		
Proceeds on disposal	364	-
Carrying value on disposal	-	-
Net (loss) / gain on disposals	364	-

Erina Rugby League Football Club Limited
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Notes To The Financial Statements
For The Year Ended 30 September 2024

	2024	2023
	\$	\$
Note 4. Cash and Cash Equivalents		
Cash on hand	180,000	130,000
Cash at bank	477,403	307,804
	657,403	437,804
Total cash and cash equivalents as stated in the statement of financial position	657,403	437,804

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.

Note 5. Trade & Other Receivables

Other Debtors (i)	89,634	89,083
	89,634	89,083
Total Trade & Other Receivables	89,634	89,083

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.

(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.

Note 6. Inventories

Current – at Cost		
Bar	45,566	43,423
Catering – Restaurant	11,638	10,419
Catering – Café	1,781	850
Football	4,728	2,000
	63,713	56,692
Total Inventories	63,713	56,692

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.

Erina Rugby League Football Club Limited
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Notes To The Financial Statements
For The Year Ended 30 September 2024

	2024	2023
Note 7. Property, Plant & Equipment		
Freehold land - at valuation	11,500,000	11,500,000
	<hr/>	<hr/>
Buildings - at cost	8,433,202	8,330,282
Less accumulated depreciation	(4,277,594)	(4,012,337)
Total Land and Buildings	<hr/> 15,655,608	<hr/> 15,817,945
	<hr/>	<hr/>
Plant & Equipment - at cost	2,462,054	2,313,139
Less accumulated depreciation	(1,913,551)	(1,783,945)
Total Plant & Equipment	<hr/> 548,503	<hr/> 529,194
	<hr/>	<hr/>
Poker Machines - at cost	3,321,754	3,079,532
Less accumulated depreciation	(2,544,706)	(2,683,185)
Total Poker Machines	<hr/> 777,048	<hr/> 396,347
	<hr/>	<hr/>
Work in progress	-	370,024
Net Written Down Value of all Property, Plant & Equipment	<hr/> 16,981,159	<hr/> 17,113,510
	<hr/>	<hr/>

Current Value of Freehold Land

Based on a valuation performed by Mr Christopher Smith and Mrs Belinda Richardson of Robertson & Robertson on 5 September 2023, the value of land is \$11,500,000. The valuation was performed on the basis of current market buying values.

As per Section S41 j(3) of the Registered Clubs Act the Board of Directors of Erina Rugby League Football Club Limited declares that as of 30 September 2024 the company owned the following property assets classified as below.

Current use	Classification
Main Club	Land & Buildings

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Notes To The Financial Statements
For The Year Ended 30 September 2024

Note 7. Property, Plant & Equipment

Movements in Carrying Amounts

2024	Freehold Land & Buildings \$	Plant & Equipment \$	Poker Machines \$	Work in Progress \$	Total \$
Opening Balance	15,817,945	529,194	396,347	370,024	17,113,510
Additions at cost	102,920	148,917	592,890	-	844,728
Revaluation of Land	-	-	-	-	-
Disposals & Transfers	-	-	-	(370,024)	(370,024)
Depreciation expense	(265,257)	(129,608)	(212,190)	-	(607,055)
Carrying amount at year end	15,655,608	548,503	777,048	-	16,981,159

	2024 \$	2023 \$
Note 8. Trade and Other Payables		
Current:		
Unsecured:		
Trade payables and accrued expenses	891,093	592,211
Revenue received in advance	19,844	19,838
Total Trade and Other Payables	<u>910,927</u>	<u>612,049</u>
Non-current:		
Unsecured:		
Revenue received in advance	26,144	26,150
Total Trade and Other Payables	<u>937,081</u>	<u>638,199</u>

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.

Erina Rugby League Football Club Limited
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Notes To The Financial Statements
For The Year Ended 30 September 2024

	2024	2023
	\$	\$
Note 9. Borrowings		
Current:		
Secured:		
Hire Purchase Liabilities (a)	248,999	126,181
Loan - Bank (b)	-	-
Credit Card	4,174	-
	253,173	126,181
Non-Current:		
Secured:		
Hire Purchase Liabilities (a)	405,374	53,426
Loan - Bank (b)	550,000	250,000
	955,374	303,426
Total Borrowings	1,208,547	429,607

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.
- (b) The Club during the year drew down on its existing loan facility to ensure sufficient working capital during the current financial year. This loan facility is an interest only facility, with interest payable monthly. The bank loan facilities mature on 30 April 2027 but may be extended by mutual agreement.

Note 10. Provisions for Employee Benefits

Current:		
Annual leave entitlements	72,967	71,969
Long service leave entitlements	106,827	84,875
Honorariums	-	10,700
	179,794	167,594
Non-Current:		
Long service leave entitlements	27,277	13,382
Total leave entitlements	207,071	180,976

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Notes To The Financial Statements
For The Year Ended 30 September 2024

Note 10. Provisions for Employee Benefits (cont'd)

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

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.

	2024	2023
	\$	\$
Note 11. Reserves		
Asset Revaluation Reserve at the beginning of the year	11,436,228	3,361,228
Movement for the year	-	8,075,000
Asset Revaluation Reserve at the end of the year	11,436,228	11,436,228

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).

Note 12. Related Party Disclosures

(a) Remuneration of Directors

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

J Lewis	S McGowan	A Lavette	J Creevey
M Ahearn	S Mitchell	C Louis	

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

Honorariums	Nil	Nil

Erina Rugby League Football Club Limited
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Notes To The Financial Statements
For The Year Ended 30 September 2024

	2024 \$	2023 \$
Note 12. Related Party Disclosures		
(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	376,632	264,038
(c) Loans to Directors		
Loans in existence at balance date to directors of the company		
	Nil	Nil

(d) Transactions with Related Parties - Directors

Types of Terms & Transaction	Class of Conditions	Related Party		
Purchases & Meals, Drinks, Education & Training	Normal Commercial Terms	Directors	1,661	72
Maintenance & Goods	Director – Related entity	Directors	6,048	80,380

- 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 13. Contingent Liabilities

Bank Guarantee

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

Indemnity guarantee to TAB	5,000	5,000
	5,000	5,000

Erina Rugby League Football Club Limited
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Notes To The Financial Statements
For The Year Ended 30 September 2024

Note 14. 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.

		2024	2023
		\$	\$
Note 15. Financial Risk Management			
Financial Assets			
Cash & Cash Equivalents	4	657,403	437,804
Trade and other debtors	5	89,634	89,083
Total Financial Assets		<u>747,037</u>	<u>526,887</u>
Financial Liabilities			
Trade and other payables	9	937,081	638,199
Borrowings	10	1,209,466	429,607
Total Financial Liabilities		<u>2,146,547</u>	<u>1,067,806</u>

The company does not have any derivative instruments at 30 September 2024.

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Notes To The Financial Statements
For The Year Ended 30 September 2024

	2024	2023
	\$	\$
Note 16. 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	180,000	130,000
Cash at Bank	477,403	307,804
Total Cash & Cash Equivalents	657,403	437,804
(b) Reconciliation of Cash Flow from Operations With Current Year Surplus after income tax		
Profit / (loss) after income tax	(923,906)	(321,617)
Non-cash flows:		
Depreciation and Amortisation	607,055	577,668
Net loss/(gain) on disposal of Property, Plant and Equipment	(364)	-
Impairment of re-development costs (Note 7)	370,024	-
Change in net assets and liabilities:		
(Increase)/Decrease in Trade and Other Debtors	(51)	(39,816)
(Increase)/Decrease in Inventories	(7,021)	45,137
(Increase)/Decrease in Other Current Assets	(85,190)	53,113
Increase/(Decrease) in Trade and Other Payables	302,556	49,216
Increase/(Decrease) in Provisions for Employee Benefits	26,095	(4,411)
Cash Flows provided by operating activities	289,198	253,064
(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)	(179,607)
Unused credit facility	320,393	320,393
(ii) Loan Facilities		
Bank Loan	1,600,000	1,600,000
Amount Utilised	(550,000)	(250,000)
Unused credit facility	1,050,000	1,350,000

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.

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Notes To The Financial Statements
For The Year Ended 30 September 2024

Note 17. Company Details

The registered office of the company is:

Erina Rugby League Football Club Limited
18 Ilya Avenue
ERINA NSW 2250

The principle place of business is:

Erina Rugby League Football Club Limited
18 Ilya Avenue
ERINA NSW 2250

Note 18. 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 2024 there were 9,897 members.

Note 19. Events After the Reporting Period

In 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.