

# **Burwood R.S.L Club Limited**

**ABN: 49 000 975 646**

## **Consolidated Financial Statements**

**For the Year Ended 31 December 2023**

# Burwood R.S.L Club Limited

ABN: 49 000 975 646

## Consolidated Financial Statements For the Year Ended 31 December 2023

	Page
<b>Contents</b>	
<b>Consolidated Financial Statements</b>	
Directors' Report	1
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001	5
Consolidated Statement of Profit or Loss and Other Comprehensive Income	6
Consolidated Statement of Financial Position	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	26
Independent Audit Report	27

# Burwood R.S.L Club Limited

ABN: 49 000 975 646

## Directors' Report For the Year Ended 31 December 2023

The directors present their report, together with the financial statements of the Group, being the Club and its controlled entities, for the financial year ended 31 December 2023.

### Directors

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

<b>Names</b>	<b>Position</b>
G.D Green	President/ Chairman
C.F Hodges	Deputy president
R.L Shirvington	Vice President
B. Remmington	Director
D. Collins	Director
T. O'Donoghue	Director
D. Quinlan	Director

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

### Principal activities

The principal activities of the Group during the financial year were those of a licensed club, providing:

- Social facilities;
- Food, beverage, entertainment, event & gaming facilities; and
- Sporting facilities

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

### Short term objectives

The Group's short term objectives are to:

- Maintain and / or modernise the Club's premises;
- Provide best possible hospitality services to members and to the local community; and
- Ensure ongoing profitability of the Club to secure its financial future.

### Medium term objectives

The Group's medium term objective is to relocate the RSL Club to the new site bounded by Deane, Marmaduke, George Streets and Shaftesbury Road, within the CBD of Burwood, current official address is 2 George Street Burwood. The numerous advantages to members of this relocation will include but not limited to:

- Close proximity to Burwood train station, bus interchanges, taxis, retail and business hub of Burwood.
- A larger and superior Club can be constructed including:
  - Numerous restaurants and themed bars
  - Convention Centre with multiple entertainment options
  - Health and Fitness Centre
  - Large car park
  - Hotel

## Burwood R.S.L Club Limited

ABN: 49 000 975 646

# Directors' Report

## For the Year Ended 31 December 2023

### Medium term objectives (cont'd)

The new site will permit substantial expansion of the premises to satisfy the expectations of the Club's large membership.

On 12th January 2023 the development application for the new club was formally approved. Determination of the new club license by the independent Liquor & Gaming Authority is still pending.

### Strategy for achieving the objectives

To achieve these objectives, the Group has adopted the following strategies:

- Ensure Club policies are appropriate;
- Ensure professional management;
- Ensure proficient and cost effective operation of the Club;
- Always endeavour to attract and retain excellent hospitality staff;
- Always endeavour to satisfy or exceed member's expectations for all services and facilities provided by the Club; and
- Ensure continued trading and profitability and invest surplus funds securely with good returns.

### Performance measures

The following measures are used within the Group to monitor performance:

- Daily overview of operations;
- Monthly analysis on cost effectiveness and performance; and
- Monthly review of operations.

### Members' guarantee

Burwood R.S.L Club Limited is a company limited by guarantee. If the Club is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. As at 31 December 2023, the total amount that members of the Club are liable to contribute if the Club is wound up is \$293,070 (2022: \$283,600).

### Information on directors

The names of each person who has been a director during the year and to the date of this report are

G.D Green	President/ Chairman of the Board
Qualifications	Retired Hospitality Professional
Experience	33 years as a director
Special Responsibilities	Member of the Honours Committee

C.F Hodges	Deputy president
Qualifications	Retired Business Consultant
Experience	12 years as a director

## Burwood R.S.L Club Limited

ABN: 49 000 975 646

# Directors' Report

## For the Year Ended 31 December 2023

### Information on directors (cont'd)

R.L Shirvington	Vice President
Qualifications	Retired Sales / Production Manager
Experience	22 years as a director
Special Responsibilities	Chairman of the Honours Committee
B. Remmington	Director
Qualifications	Retired Sydney Airport Quarantine Officer
Experience	19 years as a director
D. Collins	Director
Qualifications	Retired Business Manager Member of the Australian Institute of Company Directors Fellow of Governance Institute of Australia Fellow of the Institute of Public Accountants
Experience	8 years as a director
Special Responsibilities	Member of the Honours Committee and Finance Committee
T. O'Donoghue	Director
Qualifications	Retired Club Manager, Vietnam Veteran
Experience	6 years as director
D. Quinlan	Director
Qualifications	Retired Managing Director (business owner for 35 years)
Experience	5 years as director
Special Responsibilities	Member of the Finance Committee

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

### Core and Non-Core Property

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

#### Core Property:

The land and buildings upon which the Club's licensed premises located at 97 Burwood Road, Burwood, NSW and 55 Seymour Street, Croydon Park, NSW.

#### Non-Core Property:

96 Shaftesbury Road, Burwood, NSW. All residential properties including land owned by the Club have all been classified as investment properties in the financial report.

**Burwood R.S.L Club Limited**

ABN: 49 000 975 646

**Directors' Report  
For the Year Ended 31 December 2023**

**Meetings of directors**

During the financial year, 13 meetings of directors were held. Attendances by each director during the year were as follows:


Directors' Meetings		
	Number eligible to attend	Number attended
G.D Green	13	13
C.F Hodges	13	12
R.L Shirvington	13	12
B. Remmington	13	11
D. Collins	13	12
T. O'Donoghue	13	12
D. Quinlan	13	11

**Auditor's independence declaration**

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2023 has been received and can be found on page 5 of the financial report.

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

Director: .....  
  
G.D Green

Director: .....  
  
C.F Hodges

Dated 20 February 2024



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## Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Burwood R.S.L Club Limited and Controlled Entities

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2023, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

PKF

PKF

A handwritten signature in black ink that reads 'STobutt' with a stylized flourish at the end.

SCOTT TOBUTT  
PARTNER

20 FEBRUARY 2024  
SYDNEY, NSW

## Burwood R.S.L Club Limited

ABN: 49 000 975 646

### Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2023

		2023	2022
	Note	\$	\$
Revenue	4	62,011,963	59,254,371
Finance income	5	4,293,267	2,065,836
Cost of goods sold		(3,338,431)	(3,014,986)
Employee benefits expense		(10,809,722)	(9,508,466)
Donations		(888,384)	(816,604)
Depreciation, amortisation and impairments		(2,398,897)	(2,629,629)
Gaming machine duty		(13,328,627)	(13,125,986)
Entertainment		(411,814)	(292,366)
Insurance		(362,843)	(295,000)
Marketing and promotions		(3,939,549)	(3,195,773)
Rates and taxes		(2,769,921)	(2,646,849)
Repairs and maintenance		(2,767,645)	(2,463,210)
Security costs		(928,185)	(835,974)
Bank charges		(100,693)	(104,634)
Other operating expenses		(416,427)	(368,581)
Gain in fair value of investment properties	13	3,055,000	-
Gain/(loss) on investments - unrealised		3,684,293	(1,197,776)
<b>Profit before income tax</b>		<b>30,583,385</b>	<b>20,824,373</b>
Income tax (expense)/benefit	6	(3,230,979)	(783,412)
<b>Profit for the year</b>		<b>27,352,406</b>	<b>20,040,961</b>
Other comprehensive income		8,026,000	-
<b>Total comprehensive income for the year</b>		<b>35,378,406</b>	<b>20,040,961</b>

The accompanying notes form part of these financial statements.



# Burwood R.S.L Club Limited

ABN: 49 000 975 646

## Consolidated Statement of Financial Position As At 31 December 2023

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	7	<b>38,962,079</b>	36,908,510
Trade and other receivables	8	<b>17,833</b>	15,642
Inventories	9	<b>175,100</b>	159,200
Other financial assets	10	<b>73,789,437</b>	48,328,674
TOTAL CURRENT ASSETS		<b>112,944,449</b>	85,412,026
NON-CURRENT ASSETS			
Property, plant and equipment	12	<b>33,345,480</b>	25,820,068
Investment property	13	<b>121,411,474</b>	118,281,746
Deferred tax assets	17	<b>171,211</b>	157,676
Intangible assets	11	<b>2,221,943</b>	2,221,943
TOTAL NON-CURRENT ASSETS		<b>157,150,108</b>	146,481,433
TOTAL ASSETS		<b>270,094,557</b>	231,893,459
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	14	<b>3,190,541</b>	2,874,818
Current tax payable	17	<b>979,125</b>	437,616
Employee benefit provision	16	<b>2,456,307</b>	2,195,779
Other liabilities	15	<b>36,368</b>	38,522
TOTAL CURRENT LIABILITIES		<b>6,662,341</b>	5,546,735
NON-CURRENT LIABILITIES			
Deferred tax liability	17	<b>4,975,662</b>	3,264,162
Employee benefit provision	16	<b>80,898</b>	84,453
Other liabilities	15	<b>39,670</b>	40,529
TOTAL NON-CURRENT LIABILITIES		<b>5,096,230</b>	3,389,144
TOTAL LIABILITIES		<b>11,758,571</b>	8,935,879
NET ASSETS		<b>258,335,986</b>	222,957,580
<b>EQUITY</b>			
Revaluation reserve		<b>8,026,000</b>	-
Retained earnings		<b>250,309,986</b>	222,957,580
TOTAL EQUITY		<b>258,335,986</b>	222,957,580

The accompanying notes form part of these financial statements.

## Burwood R.S.L Club Limited

ABN: 49 000 975 646

### Consolidated Statement of Changes in Equity For the Year Ended 31 December 2023

	Revaluation reserve	Retained Earnings	Total
	\$	\$	\$
<b>Balance at 1 January 2023</b>	-	222,957,580	222,957,580
Profit for the year	-	27,352,406	27,352,406
Revaluation surplus on land	8,026,000	-	8,026,000
<b>Balance at 31 December 2023</b>	<b>8,026,000</b>	<b>250,309,986</b>	<b>258,335,986</b>
<b>Balance at 1 January 2022</b>	-	202,916,619	202,916,619
Profit for the year	-	20,040,961	20,040,961
<b>Balance at 31 December 2022</b>	-	222,957,580	222,957,580

The accompanying notes form part of these financial statements.

## Burwood R.S.L Club Limited

ABN: 49 000 975 646

### Consolidated Statement of Cash Flows For the Year Ended 31 December 2023

	2023	2022
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	<b>68,244,485</b>	65,178,975
Payments to suppliers and employees	<b>(45,642,478)</b>	(42,127,819)
Interest received	<b>3,359,997</b>	1,438,159
Bank charges	<b>(100,693)</b>	(104,634)
Income taxes (paid)/received	<b>(991,505)</b>	(492,715)
Net cash (used in)/provided by operating activities	<b><u>24,869,806</u></b>	<u>23,891,966</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Expenditure relating to the new club development	<b>(74,728)</b>	(108,931)
Acquisition of property, plant and equipment	<b>(1,898,309)</b>	(1,357,309)
Proceeds from disposal of property, plant and equipment	-	3,258
Investment in financial assets	<b>(21,776,470)</b>	(17,956,995)
Dividends received	<b>933,270</b>	627,677
Net cash provided by/(used in) investing activities	<b><u>(22,816,237)</u></b>	<u>(18,792,300)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net cash provided by/(used in) financing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents held	<b>2,053,569</b>	5,099,666
Cash and cash equivalents at beginning of year	<b><u>36,908,510</u></b>	<u>31,808,844</u>
Cash and cash equivalents at end of financial year	<b><u>7 38,962,079</u></b>	<u>36,908,510</u>

The accompanying notes form part of these financial statements.

## Burwood R.S.L Club Limited

ABN: 49 000 975 646

# Notes to the Financial Statements

## For the Year Ended 31 December 2023

The financial report covers Burwood R.S.L Club Limited and its controlled entities ('the Group'). Burwood R.S.L Club Limited is a not-for-profit Club limited by guarantee, incorporated and domiciled in Australia.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by the Directors on 20 February 2024.

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*.

The financial statements 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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

### 2 Summary of Significant Accounting Policies

#### (a) Revenue and other income

##### Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services.

##### Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Group are:

##### Gaming Revenue

Gaming machine revenue is recognised on an accrual basis calculated as net of gaming machine collections and payouts, less any costs associated with future jackpot contributions

##### Sale of goods

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

##### Provision of services

Revenue from providing services is recognised in the accounting period in which the services are rendered.

## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2023**

#### **2 Summary of Significant Accounting Policies (cont'd)**

##### **(a) Revenue and other income (cont'd)**

###### **Specific revenue streams (cont'd)**

###### **Interest revenue**

Interest is recognised using the effective interest method, which, for floating rate financial assets, is the rate inherent in the instrument.

###### **Dividend revenue**

Dividend revenue is recognised when the right to receive a dividend has been established

###### **Rental income**

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

###### **Other income**

Other income is recognised on an accruals basis when the Group is entitled to it.

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

##### **(b) Inventories**

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

##### **(c) Property, plant and equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment of losses.

###### **Property**

Freehold land and buildings are measured on a cost basis less accumulated depreciation for buildings.

###### **Plant and equipment**

Plant and equipment are measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2023**

#### **2 Summary of Significant Accounting Policies (cont'd)**

##### **(c) Property, plant and equipment (cont'd)**

###### **Depreciation**

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a straight-line or diminishing value method from the date that management determine that the asset is available for use. Land is not depreciated.

The depreciation rates and method used for each class of depreciable asset are shown below:

Freehold Land	Nil
Buildings (Straight-line or Diminishing value)	1.5% - 2.5%
Plant and Equipment (Straight-line)	7.5% - 33.3%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

##### **(d) Investment property**

Investment property is held to generate long-term rental yields and/or for capital growth. All tenant leases are on an arm's length basis. Investment property is carried at fair value, determined by current market values. Changes to fair value are recorded in the consolidated statement of profit or loss and other comprehensive income as other income/expenses.

##### **(e) Financial instruments**

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

###### **Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2023**

#### **2 Summary of Significant Accounting Policies (cont'd)**

##### **(e) Financial instruments (cont'd)**

###### **Financial assets (cont'd)**

###### *Classification*

On initial recognition, the Group classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

###### *Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

###### Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2023**

#### **2 Summary of Significant Accounting Policies (cont'd)**

##### **(e) Financial instruments (cont'd)**

###### **Financial assets (cont'd)**

###### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information. The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

###### *Trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

###### *Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

###### **Financial liabilities**

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables.



## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2023**

#### **2 Summary of Significant Accounting Policies (cont'd)**

**(f) Intangible assets**

**Poker machine entitlements**

Poker machine entitlements are initially recorded at cost. Poker machine entitlements have indefinite life and are tested annually for impairment and carried at cost less any accumulated amortisation and impairment losses.

**(g) Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

**(h) Employee benefit provision**

Provision is made for the Group's liability for employee benefits, arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Changes in the measurement of the liability are recognised in the statement of profit or loss and other comprehensive income. Contributions are made by the Group to an employee superannuation fund and are charged as expenses when incurred.

**(i) Goods and services tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2023**

#### **2 Summary of Significant Accounting Policies (cont'd)**

##### **(j) Income tax**

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting year. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. Non-member income of the Club is only assessable for tax, as member income is excluded under the principle of mutuality.

#### **3 Critical Accounting Estimates and Judgments**

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

##### **Key estimates - mutuality principle**

In the preparation of the Group's annual income tax return, management estimate the proportion of receipts derived from mutual dealings with members, and expenses incurred in deriving those receipts. Management estimates for the apportionment of receipts and expenses between members and visitors are based on records and registers maintained by the Group.

##### **Key estimates - impairment of intangibles**

The recoverable amount of intangible assets was assessed by reference to the intangibles value-in-use. Value-in-use is calculated based on the present value of cash flow projections over a 5 year period. The cash flows are discounted using a rate of 12%. Management believes that any reasonable possible change in key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount of intangible assets to exceed its recoverable amount. The assumptions used in the discounted cash flow model are tested against a sensitivity model (+/- 5%).

## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2023**

#### **3 Critical Accounting Estimates and Judgments (cont'd)**

##### **Key estimates - Fair value of investment properties**

At 31 December 2023, the directors performed a valuation on Investment Properties and decided an uplift adjustment of \$3,055,000 to the fair value was required. The critical assumptions adopted in determining the valuation included an estate agent's assessment of the commercial property along with the recent purchase price of similar residential properties. Other factors such as the location of land and buildings, current strong demand for land and buildings in the area and recent data for similar properties have also been taken into account.

##### **Key estimates - Provisions**

Provision is made for the Group liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the reporting period have been measured at the present value of the estimated cash outflows to be made for those benefits.

Employee benefits are presented as current liabilities in the statement of financial position if the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

##### **Key estimate - Valuation of land and property**

At 31 December 2023, the directors performed a valuation on Land and Property and decided an uplift adjustment of \$8,026,000 to the fair value was required. The critical assumptions adopted in determining the valuation included an estate agent's assessment of the commercial property along with the recent purchase price of similar commercial properties. Other factors such as the location of land and property, current strong demand for land and property in the area and recent data for similar properties have also been taken into account.

## Burwood R.S.L Club Limited

ABN: 49 000 975 646

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

#### 4 Revenue and Other Income

##### Revenue from continuing operations

	2023	2022
	\$	\$
Sales revenue		
- Gaming revenue	52,462,933	51,083,479
- Bar sales	3,022,743	2,870,627
- Catering sales	4,051,434	3,360,694
- Rents received	1,819,537	1,354,200
- Keno commission	128,436	104,420
- TAB commission	60,313	40,923
- Member subscriptions	54,054	48,871
- Sundry income	443,182	391,157
- Loss on investment	(30,669)	-
<b>Total Revenue</b>	<b>62,011,963</b>	<b>59,254,371</b>

##### Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated into at a point in time and over time, and the following table shows this breakdown:

##### Timing of revenue recognition

- At a point in time	61,957,909	59,205,500
- Over time	54,054	48,871
	<b>62,011,963</b>	<b>59,254,371</b>

#### 5 Finance Income

Interest Received	3,359,997	1,438,159
Dividends received	933,270	627,677
	<b>4,293,267</b>	<b>2,065,836</b>

#### 6 Income Tax Expense

(a) The major components of tax expense (income) comprise:

Current tax	1,533,014	789,322
Deferred tax	1,697,965	(5,910)
	<b>3,230,979</b>	<b>783,412</b>

## Burwood R.S.L Club Limited

ABN: 49 000 975 646

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

#### 6 Income Tax Expense (cont'd)

(b) Reconciliation of income tax to accounting profit:

	2023	2022
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2022: 30%)	7,951,680	5,414,337
Add/(less):		
Tax effect of:		
- mutuality and other members of the income tax consolidation group net of intercompany transactions	<u>(4,719,922)</u>	<u>(4,630,925)</u>
Income tax expense	<u>3,231,758</u>	<u>783,412</u>

#### 7 Cash and Cash Equivalents

Cash at bank and on hand	5,961,959	4,908,506
Short-term bank deposits	<u>33,000,120</u>	<u>32,000,004</u>
	<u>38,962,079</u>	<u>36,908,510</u>

#### 8 Trade and Other Receivables

CURRENT		
Trade and other receivables	<u>17,833</u>	<u>15,642</u>

#### 9 Inventories

CURRENT		
Bar stock	128,000	112,100
Kitchen stock	<u>47,100</u>	<u>47,100</u>
	<u>175,100</u>	<u>159,200</u>

#### 10 Financial Assets

CURRENT		
Financial assets at FVTPL	<u>73,789,437</u>	<u>48,328,674</u>

#### 11 Intangible Assets

Gaming machine entitlements		
Deemed cost	<u>2,221,943</u>	<u>2,221,943</u>

## Burwood R.S.L Club Limited

ABN: 49 000 975 646

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

#### 12 Property, Plant and Equipment

	2023	2022
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At cost	<u>12,080,000</u>	4,054,000
Buildings		
At cost	37,904,404	37,732,538
Accumulated depreciation	<u>(20,766,931)</u>	(20,141,860)
Total buildings	<u>17,137,473</u>	17,590,678
Total land and buildings	<u>29,217,473</u>	21,644,678
PLANT AND EQUIPMENT		
At cost	22,906,684	23,693,743
Accumulated depreciation	<u>(18,778,677)</u>	(19,518,353)
Total plant and equipment	<u>4,128,007</u>	4,175,390
<b>Total property, plant and equipment</b>	<u><b>33,345,480</b></u>	<u>25,820,068</u>

#### (a) Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land	Buildings	Plant and Equipment	Total
	\$	\$	\$	\$
<b>Year ended 31 December 2023</b>				
Balance at the beginning of year	4,054,000	17,590,678	4,175,390	25,820,068
Additions	-	171,866	1,726,443	1,898,309
Depreciation expense	-	(625,071)	(1,773,826)	(2,398,897)
Revaluation reserve	8,026,000	-	-	8,026,000
<b>Balance at the end of the year</b>	<u><b>12,080,000</b></u>	<u><b>17,137,473</b></u>	<u><b>4,128,007</b></u>	<u><b>33,345,480</b></u>

Land was revalued at 31st December 2023 based on independent valuations and valuer general assessments, resulting in an uplift of \$8,026,000.

## Burwood R.S.L Club Limited

ABN: 49 000 975 646

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

#### 13 Investment Property

	2023	2022
	\$	\$
Balance at beginning of the period	118,281,746	118,172,815
Expenditure relating to the new club development	74,728	108,931
Movement in fair value of investment properties	3,055,000	-
	<u>121,411,474</u>	<u>118,281,746</u>

The fair value model is applied to all investment property. At 31 December 2023, the directors have performed a directors' valuation on Investment Properties with \$3,055,000 fair value increment (2022: \$nil). The critical assumptions adopted in determining the valuation included the location of land and buildings, current strong demand for land and buildings in the area and recent sales data for similar properties.

The total investment property cost includes capitalised expenditure relating to the new club development of \$6,281,610 (2022: \$6,206,882).

#### 14 Trade and Other Payables

##### CURRENT

Trade payables	599,980	150,597
GST payable	467,758	527,512
Accrued gaming device duty	1,529,550	1,644,324
Points redemption liability	593,253	552,385
	<u>3,190,541</u>	<u>2,874,818</u>

#### 15 Other Liabilities

##### CURRENT

Subscriptions received in advance	36,368	38,522
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##### NON-CURRENT

Subscriptions received in advance	39,670	40,529
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#### 16 Employee Benefits

##### CURRENT

Provision for employee entitlements	2,456,307	2,195,779
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##### NON-CURRENT

Provision for employee entitlements	80,898	84,453
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## Burwood R.S.L Club Limited

ABN: 49 000 975 646

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

#### 17 Tax Assets and Liabilities

	2023	2022
	\$	\$
Income tax payable	<u>979,125</u>	<u>437,616</u>

	Opening Balance	Charged to Income	Charged directly to Equity	Closing Balance
	\$	\$	\$	\$
<b>Deferred tax assets</b>				
Timing differences	151,766	5,910	-	157,676
<b>Balance at 31 December 2022</b>	<u>151,766</u>	<u>5,910</u>	<u>-</u>	<u>157,676</u>
Timing differences	<b>157,676</b>	<b>13,535</b>	<b>-</b>	<b>171,211</b>
<b>Balance at 31 December 2023</b>	<u><b>157,676</b></u>	<u><b>13,535</b></u>	<u><b>-</b></u>	<u><b>171,211</b></u>

	Opening Balance	Charged to Income	Charged directly to Equity	Closing Balance
	\$	\$	\$	\$
<b>Deferred tax liabilities</b>				
Timing differences	3,488,266	(224,104)	-	3,264,162
<b>Balance at 31 December 2022</b>	<u>3,488,266</u>	<u>(224,104)</u>	<u>-</u>	<u>3,264,162</u>
Timing differences	<b>3,264,162</b>	<b>1,711,500</b>	<b>-</b>	<b>4,975,662</b>
<b>Balance at 31 December 2023</b>	<u><b>3,264,162</b></u>	<u><b>1,711,500</b></u>	<u><b>-</b></u>	<u><b>4,975,662</b></u>

#### 18 Financial Risk Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries.

The totals for each category of financial instruments, measured in accordance with AASB 9 (and related Standards) as detailed in the accounting policies to these financial statements, are as follows:



## Burwood R.S.L Club Limited

ABN: 49 000 975 646

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

#### 18 Financial Risk Management (cont'd)

	2023	2022
	\$	\$
<b>Financial assets</b>		
Held at amortised cost		
Cash and cash equivalents	38,962,079	36,908,510
Trade and other receivables	17,833	15,642
Other financial asset	73,789,437	48,328,674
<b>Total financial assets</b>	<b>112,769,349</b>	<b>85,252,826</b>
<b>Financial liabilities</b>		
Financial liabilities at amortised cost		
Trade and other payables	3,190,541	2,874,818

#### 19 Members' Guarantee

The Club is incorporated under the *Corporations Act 2001* and is a Club limited by guarantee. If the Club is wound up, the constitution states that each member is required to contribute a maximum of \$ 10 each towards meeting any outstanding obligations of the Club. At 31 December 2023 the number of members was 29,307 (2022: 28,360).

#### 20 Contingencies

In the opinion of the Directors, the Club did not have any contingencies at 31 December 2023 (31 December 2022: None).

#### 21 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Club and the Group is \$ 1,869,053 (2022: \$ 1,758,017).

#### 22 Auditors' Remuneration

Remuneration of the auditor PKF, for:

- auditing or reviewing the financial statements

47,500	44,000
<b>47,500</b>	<b>44,000</b>

#### 23 Related Parties

(a) The Group's main related parties are as follows:

Key management personnel - refer to Note 21.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

## Burwood R.S.L Club Limited

ABN: 49 000 975 646

# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 23 Related Parties (cont'd)

#### (b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

#### Key Management Personnel

Rental of investment properties	63,740	81,640
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### 24 Interests in Associates

#### (a) Composition of the Group

	Country of Incorporation	Percentage Owned (%)* 2023	Percentage Owned (%)* 2022
<b>Parent Entity</b>			
Burwood R.S.L Club Limited	Australia	100	100
<b>Subsidiaries:</b>			
Kabul Pty Limited	Australia	100	100

\*The percentage of ownership interest held is equivalent to the percentage voting rights.

### 25 Parent Entity

The following information has been extracted from the books and records of the parent, Burwood R.S.L Club Limited and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Burwood R.S.L Club Limited has been prepared on the same basis as the financial statements except as disclosed below.

#### *Investments in subsidiaries, associates and joint ventures*

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of the parent entity. Dividends received from associates are recognised in the parent entity profit or loss, rather than being deducted from the carrying amount of these investments.

#### *Tax consolidation legislation*

Burwood R.S.L Club Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group.

Each entity in the tax consolidated group accounts for their own current and deferred tax amounts. These tax amounts are measured using the 'stand-alone taxpayer' approach to allocation.

Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the parent entity.

## **Burwood R.S.L Club Limited**

ABN: 49 000 975 646

### **Notes to the Financial Statements For the Year Ended 31 December 2023**

#### **25 Parent Entity (cont'd)**

The tax consolidated group has entered into a tax funding agreement whereby each entity within the group contributes to the income tax payable by the Group in proportion to their contribution to the Group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding agreement are recognised as either a contribution by, or distribution to the head entity.

#### **26 Events After the End of the Reporting Period**

The financial report was authorised for issue on 20 February 2024 by the Board of Directors.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

#### **27 Statutory Information**

The registered office and principal place of business of the company is:

Burwood R.S.L Club Limited 2023  
96 Shaftesbury Rd  
Burwood NSW 2134

# Burwood R.S.L Club Limited

ABN: 49 000 975 646

## Directors' Declaration

The directors of the Club declare that:

1. The financial statements and notes, as set out on pages 6 to 25, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards - Simplified Disclosure Standard; and
  - b. give a true and fair view of the financial position as at 31 December 2023 and of the performance for the year ended on that date of the Club and consolidated group.
2. In the directors' opinion, there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director .....



G.D Green

Director .....



C.F Hodges

Dated 20 February 2024

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BURWOOD R.S.L CLUB LIMITED AND CONTROLLED ENTITIES

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Burwood R.S.L Club Limited and Controlled Entities (the Group), which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the Directors.

In our opinion, the accompanying financial report gives a true and fair view of the financial position of the Group as at 31 December 2023, and of its financial performance and its cash flow for the year then ended in accordance with Australian Accounting Standards – Simplified Disclosure Requirements.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

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

#### Independence

We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (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.

#### Other Information

The Director's are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2023 but does not include the financial report and our auditor's report thereon.

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

## Responsibilities of Management and Directors for the Financial Report

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

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

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements<sup>2</sup>, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Director's are responsible for overseeing the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.


## Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- Conclude on the appropriateness of management's 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 Group'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 Group 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 any significant deficiencies in internal control that we identify during our audit.

We also provide the management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

**PKF**  
PKF



SCOTT TOBUTT  
PARTNER

20 FEBRUARY 2024  
SYDNEY, NSW