

**INGLEBURN RSL SUB-BRANCH
CLUB LIMITED
ABN: 38 163 551 086**

**SUMMARY OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2023**

**HARLEY, RUSSELL & DAY
Chartered Accountants**

**Suite 16,
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INGLEBURN RSL SUB-BRANCH CLUB LIMITED
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SUMMARY OF FINANCIAL STATEMENTS
31ST DECEMBER 2023

CONTENTS

Directors' Report	1- 4
Auditor's Independent Declaration	5
Discussion and Analysis	6
Profit and Loss and Other Comprehensive Income	7
Statement of Financial Position	8
Cash Flow Statement	9
Notes to the Financial Statements	10-12
Directors Declaration	13
Independent Auditor's Report	14

INGLEBURN RSL SUB-BRANCH CLUB LIMITED

ABN: 38 163 551 086

FOR THE YEAR ENDED 31ST DECEMBER 2023

SUMMARY OF FINANCIAL STATEMENTS

The financial statements and other specific disclosures have been derived from Ingleburn RSL Sub-Branch Club Limited full financial report for the financial year ended 31st December 2023. Other information in the Summary of Financial Statements is consistent with the Company's full financial report.

The Summary of Financial Statements does not, and cannot be expected to, provide full an understanding of financial performance, financial position and financing and investing activities of the Company as the full financial report.

A copy of the Company's 2023 Annual Financial Report, including the independent audit report, is available to all members, and will be sent to members without charge upon application to the Company's Secretary Manager.

INGLEBURN RSL SUB-BRANCH CLUB LIMITED

ABN: 38 163 551 086

DIRECTORS' REPORT

Your directors present their report on the Club for the financial year ended 31st December 2023.

DIRECTORS

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

Terry Goldsworthy
Warren Verity
Aileen Christie

Ray O'Neill
Geoff Grimes
Jason Elsmore

Tony Rogers
John McCarthy

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 continuing activity of the Company consisted of: Maintaining a Licensed Club for Members.

MEMBERS

The number of Members of the Club registered in the Register of Members at the date of this report is 18,385 (2022 – 18,921), a decrease of 2.83%.

	<u>2023</u>	<u>2022</u>
Honorary Life Members	8	11
Service Members	204	205
Legacy Widows	17	16
Social Members	18,008	18,531
Life Members (Bowling Club)	1	7
Bowls (Female)	43	42
Men (Male)	104	109
	<u>18,385</u>	<u>18,921</u>

OPERATING RESULTS

The Net Profit from Trading for the year amounted to \$1,597,616 (2022 Profit - \$9,078,484) with no provision for Income Tax (2022 - \$150,372), and after charging depreciation of \$1,916,367 (2022 - \$2,247,438).

REVIEW OF OPERATIONS

Movements in significant items of Revenue are as follows: -

	<u>2023</u>	<u>2022</u>	<u>Increase/ (Decrease)</u>	<u>%</u>
Poker Machine Net Profit	11,700,132	13,002,132	(1,302,000)	(10.01)
Bar Net Profit	467,565	466,913	652	0.13
Operational Costs	20,616,622	19,228,738	1,387,884	7.21

INGLEBURN RSL SUB-BRANCH CLUB LIMITED

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DIRECTORS' REPORT

KEY PERFORMANCE INDICATORS

	<u>2023</u>	<u>2022</u>
	%	%
Bar		
Gross Profit Percentage	65	62
Wages to sales percentage	37	38
Poker Machines		
Net profit as to Turnover	54	56
Wages to sales Turnover	6	5
EBITDA Percentage	24	38

FUTURE DEVELOPMENTS

The Club has developed a site master plan for 70 Chester Road, Ingleburn (Ingleburn RSL Sub-Branch Club Ltd). Informal discussions have been held with Campbeltown Council to assess councils' reaction and response to the proposed plans. Currently, the club is considering lodging a Development Application after assessment and feedback from the Design Excellence Panel. Since the end of the year, the Bowling Club's furniture, fixtures and fittings, Plant and Equipment, and buildings at 8 Memorial Drive Ingleburn have been demolished to make way for a new club.

INFORMATION ON DIRECTORS

<u>Name</u>	<u>Position</u>	<u>Meetings Called</u>	<u>Meetings Attended</u>	<u>Special Responsibilities</u>	<u>Experience</u>
Terry Goldsworthy	Chairman	13	11	Chairman of the Board Chairman of Sub-Committees	Director 21 years
Warren Verity	Vice President	13	12	Building & Future Planning Committee Disciplinary Committee Remuneration Committee Publicity Officer and Presentations	Director 17 years Previous exp. 9 years
Geoff Grimes	Director	13	9	Building & Future Planning Committee Audit Risk & Compliance Membership Committee Clubs NSW Delegate Remuneration Committee	Director 10 years
Ray O'Neill	Director	13	9	Building & Future Planning Committee Disciplinary Committee Remuneration Committee Sports Council Delegate	Director 18 years
Aileen Christie	Director	13	10	Bowling Club Delegate ClubsNSW Delegate	Director 3 years
Jason Elsmore	Director	13	11	Disciplinary Committee Sports Council Delegate	Director 3 years
Tony Rogers	Director	13	13	RSL Services Club Delegate	Director 3 years
John McCarthy	Director	13	10	RSL Services Club Delegate	Director 2 year

INGLEBURN RSL SUB-BRANCH CLUB LIMITED

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DIRECTORS' REPORT

OBJECTIVES

Short term

Providing for members and guests a social sporting club with all the usual facilities of a club and to assist generally in the promotion and propagation sports and a meeting place for community groups. Other short term objectives are as follows:

1. To continue to provide a high level of members facilities.
2. To remain proactive in dealing with continual changing industry legislation.
3. To increase Club membership.
4. To increase the Club's awareness in the local community.
5. To remain profitable and reduce financial debt.

Long Term

To sustain our position as the leading provider of a social entertainment in Ingleburn to ensure our long term support of sports and the wider community in that region and beyond. Other long term objectives are as follows:

1. To maximise and further endorse the Club's R.S.L. traditions.
2. To further upgrade members facilities in line with market trends and member expectations.
3. To remain profitable with the vision to diversify the Club's assets into other streams of income where viable.
4. To continue to provide the members and the community with a social and recreational Club.

The entity strategies for achieving the short and long term objectives were:

Principal strategies include:

1. Maximising advantage from our property holdings,
2. Maximising advantage from marketing opportunities,
3. Providing a broad range of activities and events,
4. Maintaining high customer service standards,
5. Continuing to market the Club to the broader community,
6. Ensuring the Club's human resources remain trained and committed to the Club's objectives,
7. Increasing membership to ensure the Club's income levels continue to grow, and
8. Reviewing the continual performance of the Club to ensure objectives are being met and that the existing objectives remain valid.

How these activities assist in achieving the objectives

The activities carried out by the Club during the year assisted in achieving the Club's objectives by ensuring that the Club's income streams remained consistent. The completion of upgrading facilities also added to the Club's ability to achieve its ongoing objectives.

Performance measurement and key performance indicator

Performance is assessed regularly against relevant internal and industry benchmarks enabling assessment as to whether strategic initiatives have been effective in achieving company short and long term objectives. To further ensure the Club's objectives are being met the following performance measures are in place:

- Key Performance Indicators are monitored in areas such as beverage, gaming, and human resource costs.
- Industry comparisons are also reviewed on a regular basis.
- Overall business EBITDA is reviewed on a regular basis.
- Club objectives are also reviewed to measure as to whether they are being met within reasonable timeframes.

INGLEBURN RSL SUB-BRANCH CLUB LIMITED

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DIRECTORS' REPORT

Members Limited Liability

In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$2.00 per member in the event of the winding up of the company during the time that he/she is a member or within one year thereafter, being \$36,770 (2022 - \$37,806).

AUDITOR'S INDEPENDENT DECLARATION

The Auditor's Independent Declaration for the year ended 31st December 2023 has been received and can be found on page 5 of this report.

Dated at Ingleburn this 21st day of February 2024

In accordance with a resolution of the Directors


.....
TERRY GOLDSWORTHY
President


.....
WARREN VERITY
Vice President

INGLEBURN RSL SUB-BRANCH CLUB LIMITED

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AUDITOR'S INDEPENDENT DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF INGLEBURN RSL SUB-BRANCH CLUB LIMITED

In accordance with s 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Ingleburn RSL Sub-Branch Club Limited. As the audit partner for the audit of the financial report of Ingleburn RSL Sub-Branch Club Limited for the year ended 31st December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the Corporations Act 2001 in relation to the audit, and
- (ii) Any applicable code of professional conduct in relation to the audit.

DATED AT SYDNEY
THIS 15TH DAY OF
FEBRUARY 2024


.....
HARLEY, RUSSELL & DAY
Chartered Accountants

GARRY WILLIAM DAY
Registered Company Auditor

INGLEBURN RSL SUB-BRANCH CLUB LIMITED

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DISCUSSION & ANALYSIS AS AT 31ST DECEMBER 2023

STATEMENT OF COMPREHENSIVE INCOME

The entity's total revenue has increased by \$92,941 (0.34%).

Whilst operating expenses have increased by \$1,387,884 (7.22 %) resulting in a net profit after tax of \$1,597,616 (income tax: NIL) and (income tax: 2022 - \$150,372).

Individual items that have impacted the 2023 result include:

Net clearances from poker machines decreased by \$950,399.

Gaming duty decreased by \$182,093.

Interest received increased by \$725,901.

Bar sales have increased by \$218,040.

Bar Cost of sales has decreased by \$113,815.

Bar Gross Profit percentage increased from 62.04% to 65.09%.

Entertainment, marketing, and promotional costs increased by \$157,147.

Employee benefit expenses increased by \$329,073.

Depreciation and amortisation expenses decreased by \$331,071.

Donations expenses decreased by \$32,565.

STATEMENT OF FINANCIAL POSITION

The entity's net assets have increased by \$1,597,616 or 3.86% since the previous year consisting of a profit for the year.

This increase/decrease in net assets for the year is mainly attributed to:

Decrease in property, plant and equipment of \$2,849,523, the total amount after the write-off of the Bowling Club Building and Plant Furniture and Equipment and adding back the difference for depreciation of \$1,916,367.

Increase in receivables of \$202,044.

Increase in cash and cash equivalents by \$4,658,051.

Decrease in inventories by \$775.

Increase in membership subscriptions in advance of \$7,149.

CASH FLOW STATEMENT

Operating activities provided net cash flow of \$6,559,856, a decrease of \$3,728,139 or 36.24% when compared to the previous year.

Net cash used in investing activities of \$1,901,805 related to payments for plant and equipment including capital works, and renovations.

As a result of these cash flows, the net cash held during the year increased by \$4,658,051 compared to the previous year's increase of \$8,602,131. Due mainly to the sale of the Leppington property for \$6,500,000 in the 2022.

Cash at year-end was \$25,921,400 compared to \$21,263,349 in the prior year.

INGLEBURN RSL SUB-BRANCH CLUB LIMITED

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PROFIT & LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2023

		2023	2022
		\$	\$
REVENUE FROM CONTINUING OPERATIONS	Notes		
Sale of Goods		2,863,214	2,645,174
Rendering of services		22,798,463	23,807,986
Other Revenue		1,303,889	605,347
Total Revenue from continuing operations		26,965,566	27,058,507
OPERATIONAL COSTS			
Cost of Sales		(890,053)	(1,003,868)
Donations		(94,235)	(126,800)
Directors' expenses		(96,600)	(101,760)
Employment Benefits expenses		(6,709,026)	(6,379,953)
Entertainment, marketing and promotional costs		(770,708)	(613,561)
Poker machine licences and taxes		(5,304,970)	(5,487,063)
Occupancy expenses		(412,544)	(371,080)
Other expenses from ordinary activities		(6,338,486)	(5,144,653)
Total Expenses		(20,616,622)	(19,228,738)
Earnings before borrowing costs, tax, depreciation and amortisation		6,348,944	7,829,769
Depreciation and amortisation		(1,916,367)	(2,247,438)
Borrowing Costs		-	(56,927)
Profit before Income Tax		4,432,577	5,525,404
Less Income Tax Expense Relating to Ordinary Activities		-	(150,372)
Net Profit after Income Tax		4,432,577	5,375,032
Other Comprehensive Income	9	-	1,414,102
Gain on Revaluation of Land	8	-	2,289,350
Loss on Disposal of Assets	9	(2,834,961)	-
Total Comprehensive Income Profit/(Loss) for the year		1,597,616	9,078,484

INGLEBURN RSL SUB-BRANCH CLUB LIMITED

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STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2023

		2023	2022
		\$	\$
CURRENT ASSETS	Notes		
Cash assets		25,921,400	21,263,349
Receivables		652,744	450,700
Inventories		85,560	86,335
TOTAL CURRENT ASSETS		<u>26,659,704</u>	<u>21,800,384</u>
NON-CURRENT ASSETS			
Property, Plant & Equipment		18,737,194	21,586,717
Intangibles		987,663	987,663
TOTAL NON-CURRENT ASSETS		<u>19,724,857</u>	<u>22,574,380</u>
TOTAL ASSETS		<u>46,384,561</u>	<u>44,374,764</u>
CURRENT LIABILITIES			
Payables		1,304,656	873,413
Provisions		1,542,985	1,607,415
TOTAL CURRENT LIABILITIES		<u>2,847,641</u>	<u>2,480,828</u>
NON-CURRENT LIABILITIES			
Provisions		492,244	446,876
TOTAL NON-CURRENT LIABILITIES		<u>492,244</u>	<u>446,876</u>
TOTAL LIABILITIES		<u>3,339,885</u>	<u>2,927,704</u>
NET ASSETS		<u>43,044,676</u>	<u>41,447,060</u>
EQUITY			
Asset Revaluation Reserve	8	2,695,410	2,695,410
Retained Profits	3	40,349,266	38,751,650
TOTAL EQUITY		<u>43,044,676</u>	<u>41,447,060</u>

INGLEBURN RSL SUB-BRANCH CLUB LIMITED

ABN: 38 163 551 086

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2023

	2023	2022
	\$	\$
NOTE 1.		
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	28,500,433	29,630,064
Payments to suppliers and employees	(22,777,877)	(19,453,469)
Interest received	837,300	111,400
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>6,559,856</u>	<u>10,287,995</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(1,901,805)	(4,353,103)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	<u>(1,901,805)</u>	<u>(4,353,103)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Sale of Leppington	-	5,094,711
Bank Loan Repayments	-	(2,427,472)
NET CASH FLOW FROM FINANCING ACTIVITIES	<u>-</u>	<u>2,667,239</u>
Net increase/(decrease) in cash held	4,658,051	8,602,131
Cash at the beginning of the financial year	<u>21,263,349</u>	<u>12,661,218</u>
Cash at the end of the financial year	<u><u>25,921,400</u></u>	<u><u>21,263,349</u></u>

INGLEBURN RSL SUB-BRANCH CLUB LIMITED

ABN: 38 163 551 086

NOTES TO THE FINANCIAL STATEMENTS SUMMARY OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

2. Summary of Significant Accounting Policies

The Summary Financial Statements have been prepared from the audited financial report of Ingleburn RSL Sub-Branch Club Limited for the year ended 31st December 2023. The audited report for the year ended 31st December 2023 is available at request from Ingleburn RSL Sub-branch Club Limited.

The financial statements, specific disclosures and other information included in the summary of financial statements are derived from and are consistent with the full financial report of Ingleburn RSL Sub-Branch Club Limited. The summary of financial statements cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of Ingleburn RSL Sub-Branch Club as a full financial report.

The financial report of Ingleburn RSL Sub-Branch Club Limited complies with all Australian equivalents and the new-Simplified Disclosure Requirements. The presentation currency used in this summary of financial statements is in Australian dollars.

It has been prepared on the basis of historic costs and except where stated, does not take into account changing money values or fair values of non-current assets.

The accounting policies have been consistently applied by the Company and are consistent with those in the previous year.

A full description of the accounting policies adopted by the Company may be found in the Company's full financial report.

3. Statement of Changes in Equity

	Retained Surplus	Revaluation Asset Reserve	Total
	\$	\$	\$
Balance at 1st January 2022	31,962,516	406,060	32,368,576
Profit recognised on income statement for the year	5,375,032	-	5,375,032
Other comprehensive income	1,414,102	-	1,414,102
Gain on revaluation of land	-	2,289,350	2,289,350
Balance at 31st December 2022	<u>38,751,650</u>	<u>2,695,410</u>	<u>41,447,060</u>
Balance at 1st January 2023	38,751,650	2,695,410	41,447,060
Profit recognised on income statement for the year	1,597,616	-	1,597,616
Balance at 31st December 2023	<u>40,349,266</u>	<u>2,695,410</u>	<u>43,044,676</u>

4. Results

The Net Profit/(Loss) for the year was derived by:

	<u>2023</u>	<u>2022</u>
	\$	\$
Ingleburn RSL Sub-Branch Club Limited - Profit	4,290,190	8,790,096
Ingleburn Bowling Club - Loss	(2,692,574)	288,388
Total Net Profit	<u>\$1,597,616</u>	<u>\$9,078,484</u>

INGLEBURN RSL SUB-BRANCH CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS SUMMARY OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

5 Security Deposits

The Company and Bowling Club have security deposits totalling \$10,000 with the Totalizator Agency Board.

6 Mutuality Principle

Ingleburn RSL Sub-Branch Club Limited calculates its income in accordance with the mutuality principle which excludes from income any amounts of subscriptions and contributions from members, and payments received from members for particular services provided by the club or association, e.g., poker machines, bar, and dining room service in the case of social clubs. The Commissioner of Taxation accepts this method of calculating income as appropriate for recognised clubs and associations such as Ingleburn RSL Sub-Branch Club Limited.

Following the recent Full Federal Court decision in *Coleambally Irrigation Mutual Co-operative Limited v FCT* [2004] FCAFC 250, Tax Laws Amendment (2005 Measures No. 6) Bill 2005 was tabled in Parliament on 7 December 2005 to amend the Income Tax Assessment Act 1997 to restore the long-standing benefits of the mutuality principle to those non-profit organisations affected by the *Coleambally* decision.

These amendments will ensure social clubs continue not to be taxed on receipts from contributions and payments received from members.

7 Core Assets

Ingleburn Land and Buildings at 70 Chester Road is considered to be core property, and now 8 Memorial Avenue since 30 November 2020. All other property is non-core property as defined under the Registered Clubs Act 1976 Section 41J.

INGLEBURN RSL SUB-BRANCH CLUB LIMITED

ABN: 38 163 551 086

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2023

8. ASSET REVALUATION RESERVE

The Asset Revaluation reserve was created when the Sunseeker Holiday Units at 14 Lake Street Foster NSW were revalued. They were revalued on 20th April 2022 at fair market value as at 31st December 2021, being \$4,200,000 by First State Property Valuers Gabe Longa (AAPI Certified Valuer, Member No 67623).

As a result of the rezoning of the land:

FORSTER LAND & BUILDINGS

	<u>2023</u>	<u>2022</u>
	\$	\$
Opening Carrying Value	1,910,650	1,910,650
Revaluation	4,200,000	4,200,000
Increase in Land Value	2,289,350	2,289,350
Asset Revaluation Reserve		
Opening Balance	406,060	406,060
Increase in Asset (above)	2,289,350	2,289,350
Closing Value	2,695,410	2,695,410

9. OTHER COMPREHENSIVE INCOME

(a) During the year the Company sold a parcel of Land known as 11 Ingleburn Road Leppington NSW 2179, which resulted in the following profit on sale:

Sale Price	-	6,500,000
<u>Less</u> Cost of land at book value	-	(5,094,711)
Associated selling costs	-	(80,152)
Profit on sale	-	1,325,137
<u>Add</u> Gain on disposal of other non-current assets	-	88,965
	-	1,414,102

(b) The company at the end of December 2023 proceeded with the demolition of the Bowling Club at 8 Memorial Drive and contents. The Write-off and disposal of assets consisted of:

- Buildings	(2,739,324)	-
- Plant Equipment Furniture and Fitting	(95,637)	-
	(2,834,961)	-
Bowling Club Trading Profit	142,387	288,388
Reported (Loss) Profit	(2,692,574)	288,388

Notes to and forming part of the accounts are to be read in conjunction with this report.

INGLEBURN RSL SUB-BRANCH CLUB LIMITED

ABN: 38 163 551 086

DIRECTORS' DECLARATION

The Directors of Ingleburn RSL Sub-Branch Club Limited declare that the summary of financial statements of the entity for the financial year ended 31st December 2023 as set out on pages 1 to 12:

- (a) Complies with Accounting policies disclosed in Note 2.
- (b) Is an extract from the full financial report for the year ended 31st December 2023 and has been derived from and is consistent with the full financial report.

**This declaration is made in accordance with a resolution of the Board of Directors.
Dated at Ingleburn this 21st day of February 2024.**


.....
TERRY GOLDSWORTHY
President


.....
WARREN VERITY
Vice President

INGLEBURN RSL SUB-BRANCH CLUB LIMITED

ABN: 38 163 551 086

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INGLEBURN RSL SUB-BRANCH CLUB LIMITED

Opinion

The accompanying summary financial statements of Ingleburn RSL Sub-Branch Club Limited, which comprise the summary statement of financial position as at 31st December 2023, the summary statements of profit or loss and other comprehensive income, summary statements of changes in members' funds and statements of cash flows for the year then ended and related notes, are derived from the audited financial report of the company at the year's end for the financial year. We expressed an unmodified audit opinion on that financial report in report dated 21st February 2024.

In our opinion, the summary financial statements for Ingleburn RSL Sub-Branch Club Limited derived from the audited financial report of Ingleburn RSL Sub-Branch Club Limited for the year ended 31st December 2023 are consistent, in all material respects, with that audited financial report, on the basis described in Note 2.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by Australian Accounting standards - Simplified Disclosures and Interpretations. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial report and the auditor's report thereon.

Directors' Responsibility for the Financial Report

The Directors are responsible for the preparation of a summary of the audited financial report on the basis described in Note 2.

Auditor's Responsibility

Our responsibility to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 Engagements to Report on Summary Financial Statements.

**DATED AT SYDNEY
THIS 25TH DAY OF
FEBRUARY 2024**



.....
HARLEY, RUSSELL & DAY
Chartered Accountants

GARRY WILLIAM DAY
Registered Company Auditor