



Berowra RSL Club Ltd **“Club Berowra”**

Annual Report **2023**



ACN 000 967 180

997 Pacific Highway, Berowra NSW 2081

COMPANY INFORMATION

Berowra RSL Club Limited
(incorporated in NSW)

ABN 66 000 967 180

Address

997 Pacific Highway
Berowra NSW 2081

Phone

(02) 9456 1844

Email

reception@clubberowra.com

Website

www.clubberowra.au

Auditors

Brigden & Partners Pty Ltd

President

Jim Beaumont

Vice President

Andrew Adam

Treasurer

Jason Lord

Directors

Andrew Robertson

Ingrid Stewart

Adriana Arapovic

Nathan Conynham

Chief Executive Officer

Steve Euers

Bankers

Bendigo Bank & Westpac

PRESIDENT'S REPORT

Dear Members

At the time of writing this report, (early April), my term as president is quickly coming to an end. Whilst originally intending to stand down I have decided to renominate for a further term, and if successful hope to preside over an incoming board with gender equality!

During 2023 we welcomed Adriana Arapovic -AJ, to the board, joining Ingrid Stewart as we forge together in trying to broaden the board's representation. This will lead to a better decision-making forum, and to be more representative of the needs of our community.

Trading in the last 12 months has been very tough with our cash position decreasing significantly. I encourage everyone to read the Year End Financial Statements contained in the 2023 Annual Report.

We have however seen a continued upturn in our bistro sales and profitability, which is very pleasing, and we hope to build upon this in the coming year. To continue this improvement, we have restructured our management team and have now created a new position for a Food and Beverage Manager. Stephen Russell has been employed in this position and we see this as a great opportunity to capitalise on Stephen's experience to bring to Club Berowra a whole new way of delivering a fantastic dining and beverage experience.

Another pleasing aspect of our recent operations has been the community support in holding functions at the club. Moving forward we will be welcoming new focus groups for consultation as to how the club can cater for the various needs and wants within our community. As shown by the Taylor Swift event, if the community is involved in the choice and co-ordination of an event, they will support us wholeheartedly. We welcome any group with specific needs to get involved and consult with us.

Our biggest challenge in the upcoming months is to renegotiate our annual rent for the next term of the lease, which comes up for renewal in September this year.

Once again, we have a long-term director standing down from the board. I speak of Andrew Robertson. Andrew joined the board in April 2015 and has given his heart and soul to ensure the Club's survival through some particularly difficult times. We owe him a great debt of gratitude for his service. Thanks Andrew, you have done us proud, and your contributions will be missed.

I also wish to thank every member of our Board for their ongoing commitment and their continued efforts in delivering further innovations to ensure our club's viability. I would also like to thank our CEO, Steve Euers, for his unwavering dedication to our Club as he celebrates his 6th year at the helm.

We also recognise our generous and friendly staff, without whom the Club would not have the reputation in the community of being the "friendly club". I would particularly like to thank two long term staff members, - Arlene Lucas who is currently battling a serious medical condition and Tracy McCulloch who has just ticked over 15 years of service with us.

PRESIDENT'S REPORT (cont'd)

Thankyou to both you for demonstrating your continued loyalty to our club, and to Arlene especially - we wish you well.

Finally, to you our members, thankyou for your continued support, without which the Club wouldn't be a viable concern. I look forward to seeing you all, at some stage, throughout the next 12 months.

Yours Sincerely

Jim Beaumont

President

TREASURER'S REPORT

Dear Members

Thank you to all Club members for the opportunity to present the 2023 Audited Financial Results on behalf of the Board.

Unfortunately, I don't have a great story to tell, with a net loss for the year of \$269,000 which was largely driven by decreases in gaming (down 15%) and events revenue. While this was not unexpected and is in line with the rest of the pubs and clubs' industry due to higher interest rates, higher inflation, and reduced customer spending, it definitely hurts a little club like ours.

On the positive side, we have seen improvements in our Bistro and Functions sales which were up by 5%, however, this was offset by decreases in Bar sales which were down by 7.5% for the year. I trust that everyone is enjoying the new Bistro Menu's, and the improved consistency, quality and range of food options continues to drive improved bistro sales.

Steve and the team have done a great job in managing expenses, with the cost of sales percentages and expenses largely in line with prior year despite the impact of inflation and price increases.

Looking forward, while we have seen some signs of improvement during the first few months of 2024 compared to this time last year due to improvements in the Bistro, the first few months are always our worst months of the year.

I'd like to thank everyone for their continue patronage and take the opportunity to remind everyone, that Club Berowra is a special venue and unique in the area, due to its multi-function nature. I urge your continued support and consideration of the club for your function needs, as without your ongoing support we wouldn't be here.

Yours Sincerely

Jason Lord

Treasurer.

CHIEF EXECUTIVE OFFICER'S REPORT

Dear Members

The financial result for the Year End 2023 before Interest and Depreciation was a profit of \$44,804, unfortunately well down on the previous year profit of \$262,829.

The first six months of 2023 were extremely tough, thankfully trading did improve in the second half of the year. This appears to have been an industry-wide trend related to the economic situation, high interest rates and rising cost of living.

Gaming and Bars Net Profit both decreased, Poker Machines \$(166,417) and Bars \$(39,327).

The exception was our Catering operations with an increased Net Profit of \$22,667.

This positive result was directly due to the excellent and much appreciated support from our local community who held their family functions, social events, and presentations at the club.

We did manage to offset some of the loss of revenue by reducing our expenses by \$114,183. Wage costs were maintained despite the Club Award pay increases and the superannuation rate increase. Insurance increased by \$14,883.

During the year we have completed capital expenditure projects for the benefit of our members. We have upgraded poker machines, purchased some pizza ovens, replaced old TVs, and upgraded the ceiling and lighting in our downstairs bar.

Recently, we have employed Stephen Russell in a newly created Food & Beverage Manager position with the aim to improve our service, food & bar offerings, and facilities. Despite only being in the role for a short period of time, Stephen has been designing new dietary conscious menus, training and supervising our staff and making improvements to the facilities.

Members can now enjoy the extended bistro hours, all day dining Wednesday to Sunday. Our mid-week specials are being updated with meal/drink deals reintroduced. If members wish to dine downstairs they will be able to order their meals from the downstairs bar and have them delivered to their table.

I would again like to thank the Directors for their continuing support and assistance over the past 12 months. Andrew Robertson is retiring from the board and was one of the parties responsible for employing me six years ago. We have been through some extremely challenging times. Andrew's contribution to ensuring the club is still trading today has been huge and not that well known. His knowledge, history, and expertise will be missed at board level.

CHIEF EXECUTIVE OFFICER'S REPORT (cont'd)

I would like to acknowledge and thank all our staff for their efforts over the year. As in previous years a couple of our experienced staff left the club to progress to their chosen careers. Angus Lynch, Jake Oppy, and Tysha Suarez were all long-term valued staff, I thank them for their efforts and wish them all the best in the future. We have been lucky to replace them with some excellent young staff who have settled in well, are very keen and are doing an excellent job looking after our members.

Please remember to check our webpage and social pages regularly for what is happening at your club.

Member feedback is important to us, please let us know if you have any suggestions or issues, someone from our team is always available to assist.

We appreciate your support and hope to see you at the Club.

Yours Sincerely
Steve Euers
Chief Executive Officer

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BEROWRA RSL CLUB LIMITED
ACN 000 967 180

ANNUAL FINANCIAL REPORT
FOR YEAR ENDED 31 DECEMBER 2023

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Full Financial Report

Comprising:

- Directors' Report
- Auditors' Independence Declaration
- Statement of Financial Position
- Statement of Profit and Comprehensive Income
- Statement of Changes in Equity
- Statement of Cash Flows
- Notes to the Financial Statements
- Directors' Declaration
- Independent Auditors Report

Supplementary Financial Statements

Comprising:

- Accountants Compilation Report
- Detailed Profit and Loss Statement

BEROWRA RSL CLUB LIMITED
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DIRECTORS' REPORT

Your directors have pleasure in submitting to members their annual report on the Club covering year ended 31 December 2023.

Operations

The principal activity of the Club during the financial year was to provide the facilities of a licensed club to members and visitors. There were no significant changes to this activity during the financial year.

The Club's short term objectives are to:

- Continue improving the financial viability of the Club; and
- Continue the improvement of facilities for members and visitors.

The Club's long term objectives are to:

- Maintain financial stability and sustainability as a business; and
- Provide quality facilities and continue to improve those facilities.

The short term and long term objectives will be achieved by:

- Strict control over the Club's finances and sound economic operation of the Club as a business.
- The maintenance and development of quality management personnel.
- Ensuring the Club meets the required standards of governance and professional accountability.
- Maintaining consistent high standards of service to customers.

The Club measures its financial performance by benchmarking its key performance indicators (KPIs) against those of other similar clubs. The KPI's include but are not limited to:

- EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) to Revenue.
- Wages to Revenue
- Gross Profit
- Entertainment and Marketing Costs

BEROWRA RSL CLUB LIMITED
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DIRECTORS' REPORT (cont)

Directors' Particulars

Name	Details	Interest in Contracts
James BEAUMONT	President Retired Civil Engineer Appointed: April 2019	Nil
Andrew ADAM	Vice President Construction Company Director Appointed: May 2021	Nil
Jason LORD	Treasurer Internal Auditor & Chartered Accountant Appointed: July 2020	Nil
Andrew ROBERTSON	Director Small Business Proprietor Appointed: April 2015	Nil
Ingrid STEWART	Director Real Estate Agent Appointed: May 2022	Nil
Nathan CONYNHAM	Director Sales Manager Appointed: May 2023	Nil
Adriana ARAPOVIC	Director Employment Consultant Appointed: May 2023	Nil
Simon BOYCE	Former Vice President Small Business Owner Resigned: May 2023	Nil
Greg FIEDLER	Former Director Financial Services Manager Resigned: May 2023	Nil

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DIRECTORS' REPORT (cont)

Directors' Meetings

The number of Directors and Board meetings attended by directors who held office during the year are as follows:

Directors	Eligible Board Meetings	Meetings Attended
James Beaumont	12	10
Simon Boyce	4	2
Jason Lord	12	10
Greg Fiedler	4	4
Andrew Robertson	12	8
Andrew Adam	12	12
Ingrid Steward	12	11
Nathan Conynham	8	7
Adriana Arapovic	8	7

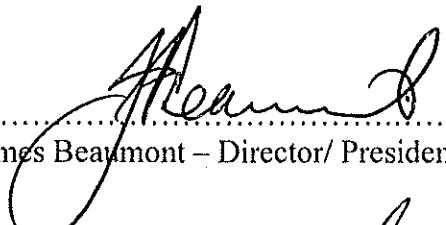
Membership Liability

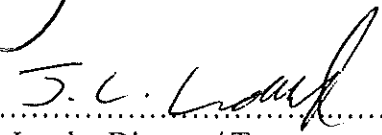
The Club is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the Club is wound up, the Constitution states that each member is required to contribute \$5.00 towards meeting any outstanding obligations of the entity. Further details of this liability can be found at Note 20 of the financial statements.

Auditors' Independence Declaration

The lead auditor's independence declaration for the year ended 31 December 2023 has been received and is included with the financial report.

Made and signed in accordance with a resolution of the Board of Directors this 27th day of March 2024.


.....
James Beaumont – Director/ President


.....
Jason Lord – Director/ Treasurer

BEROWRA RSL CLUB LIMITED
ACN 000 967 180

AUDITOR'S INDEPENDENCE DECLARATION

This declaration is made under Section 307C of the Corporations Act 2001 to the Directors of Berowra RSL Club Limited.

As lead auditor of Berowra RSL Club Limited, I declare that to the best of my knowledge and belief, during the year ended 31 December 2023 there has been:

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

BRIGDEN & PARTNERS PTY LIMITED
Chartered Accountants



.....
David Smith - Director

Level 3, 20 George Street HORNSBY NSW 2077
27 March 2024

BEROWRA RSL CLUB LIMITED
ACN 000 967 180

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
CURRENT ASSETS			
Cash and cash equivalents	4	245,548	360,955
Inventories	5	34,492	34,420
Financial assets	6	160,000	260,400
Other current assets	7	16,542	20,228
TOTAL CURRENT ASSETS		<u>\$456,582</u>	<u>\$676,003</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	354,891	442,702
Right of use assets	9	700,642	648,827
TOTAL NON-CURRENT ASSETS		<u>1,055,533</u>	<u>1,091,529</u>
TOTAL ASSETS		<u>\$1,512,115</u>	<u>\$1,767,532</u>
CURRENT LIABILITIES			
Trade and other payables	10	178,164	203,809
Lease liabilities	11	202,045	195,925
Financial liabilities	12	-	3,007
Employee benefits liabilities	13	56,595	82,678
Other current liabilities	14	3,358	5,324
TOTAL CURRENT LIABILITIES		<u>\$440,162</u>	<u>\$490,743</u>
NON-CURRENT LIABILITIES			
Lease liabilities	11	726,746	682,946
Employee benefits liabilities	13	23,486	5,905
Other non-current liabilities	14	28,493	25,343
TOTAL NON-CURRENT LIABILITIES		<u>\$778,725</u>	<u>\$714,194</u>
TOTAL LIABILITIES		<u>\$1,218,887</u>	<u>\$1,204,937</u>
NET ASSETS		<u>\$293,228</u>	<u>\$562,595</u>
MEMBERS FUNDS			
Accumulated Funds		<u>\$293,228</u>	<u>562,595</u>
TOTAL MEMBERS FUNDS		<u>\$293,228</u>	<u>\$562,595</u>
Total Liabilities and Members Funds		<u>\$1,512,115</u>	<u>\$1,767,532</u>

The accompanying notes form part of these financial statements.

BEROWRA RSL CLUB LIMITED
ACN 000 967 180

STATEMENT OF PROFIT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
Revenue:			
Revenue from contracts with customers	2	2,382,768	2,681,071
Other income	2	14,598	48,503
Total Revenue and Other Income	2	2,397,366	2,729,574
Expenses:			
Cost of goods sold		452,838	457,663
Electricity and gas		61,075	62,613
Employee benefit expenses		1,200,371	1,203,648
Insurance		82,829	67,946
Government subsidies repaid		-	38,046
Marketing, promotions & entertainment		259,318	274,034
Poker machine gaming duty		32,061	91,077
Property and maintenance		69,894	87,130
Other expenses		194,176	184,588
		<u>2,352,562</u>	<u>2,466,745</u>
Earnings before Interest and Depreciation		\$44,804	\$262,829
Interest income		8,108	11,641
Finance costs	3	(124,410)	(60,477)
Depreciation and amortisation	3	(197,869)	(253,393)
Net Profit / (Loss) before Income Tax	3	(269,367)	(39,400)
Income tax expense	1(l)	-	-
Net Profit / (Loss) for the Year	3	<u>\$(269,367)</u>	<u>\$(39,400)</u>
Total comprehensive income attributable to members of the entity		<u><u>\$(269,367)</u></u>	<u><u>\$(39,400)</u></u>

The accompanying notes form part of these financial statements.

BEROWRA RSL CLUB LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Accumulated Funds	TOTAL
Balance 31 December 2021	601,995	601,995
Net (loss) for the year	(39,400)	(39,400)
Balance 31 December 2022	\$562,595	\$562,595
Net (loss) for the year	(269,367)	(269,367)
Balance 31 December 2023	\$293,228	\$293,228

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023	2022
Operating Cash Flows			
Receipts from members and guests		2,638,042	3,006,630
Government subsidy received/ (repaid)		-	(38,046)
Payments to suppliers and employees		(2,622,588)	(2,669,914)
Interest received		8,108	11,641
Financing costs paid		(124,410)	(60,477)
Net Operating Cash Flows	16	(100,848)	249,834
Investment Cash Flows			
Payments for property, plant & equipment		(40,419)	(77,793)
Receipts/ (payments) for term deposits		100,400	(200,400)
Receipts on sale of property, plant & equipment		-	3,182
Net Investment Cash Flows		59,981	(275,011)
Financing Cash Flows			
Repayment of loans		(3,007)	(27,036)
Payments to reduce lease liabilities		(71,533)	(134,447)
Funds from borrowings		-	-
Net Financing Cash Flows		(74,540)	(161,483)
Net Surplus/ (Deficit) in Cash Flows		(115,407)	(186,660)
Cash at the Beginning of the Year		360,955	547,615
Cash at end of Year	4	\$245,548	\$360,955
Non-Cash Transactions			
Assets acquired by lease or hire purchase		Nil	\$99,991

The accompanying notes form part of these financial statements.

BEROWRA RSL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

The financial report is for Berowra RSL Club Ltd (“the Company/Club”) as an individual entity, for the year ended 31 December 2023, and was authorised for issue in accordance with a resolution of the directors on 27 March 2024.

The Club is a company limited by guarantee, incorporated and domiciled in Australia. The Club is a not-for-profit entity for financial reporting purposes under the Australian Accounting Standards

The Club’s registered office and business address is 997 Pacific Highway Berowra NSW 2081

1. STATEMENT OF ACCOUNTING POLICIES

Basis of Preparation

The financial statements are a general purpose financial report and have been prepared in accordance with the Corporation Act 2001 and Australian Accounting Standards – Simplified Disclosures made by the Australian Accounting Standards Board (“AASB”).

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 otherwise stated.

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 report has been prepared on a going concern basis, which contemplates continuity of normal business activities, and the realisation of assets and settlement of liabilities in the ordinary course of business. The Directors considered the profitability, liquidity and solvency of the Club and have concluded that the use of the going concern assumption in the preparation of the financial report is appropriate.

Both the functional and presentation currency of the Club is Australian dollars (\$).

BEROWRA RSL CLUB LIMITED
ACN 000 967 180

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Accounting Policies

(a) Revenue

Revenue is recognised in the accounts from the sale of goods and services upon delivery of the goods and services. Revenue is measured based on the cash or cash equivalent consideration received, after deducting discounts.

Interest revenue is recognised on a cash basis in the period it is received.

(b) Goods & Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(d) Inventories

Inventories are measured at the lower of cost or net realisable value.

(e) Property, Plant and Equipment, and Depreciation

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

Plant and equipment are measured on the cost basis less accumulated depreciation and impairment losses.

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 assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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

Depreciation rates:

Leasehold improvements	10 - 15%
Plant & Equipment	10 - 25%
Poker machines	20 - 25%

BEROWRA RSL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(f) Intangible Assets

Gaming machine entitlements are initially recognised at their acquisition cost. Entitlements acquired or granted for no cost are not brought to account. Entitlements have an indefinite life and so their costs are not amortised. The carrying value is assessed annually for impairment.

The Club holds 36 gaming machine entitlements all acquired at no cost but they do have a realisable market value

(g) Financial Instruments

Financial instruments are accounted for in accordance with AASB9: *Financial Instruments – Measurement and Recognition*.

Broadly, financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, 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 fair value plus transactions costs except where the instrument is classified “at fair value through profit or loss” in which case transaction costs are expensed to profit or loss immediately.

(h) Impairment of Assets

At each reporting date the Club reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such indication exists, then the recoverable amount of the asset is compared to the carrying value, and any excess in carrying value over the recoverable amount is expensed to the statement of comprehensive income. Where the future economic benefits of the asset are not primarily dependent upon on the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

(i) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(j) Leases

Club as Lessee – the Club applies a single recognition approach for all leases, except short-term leases and low value leases. The Club recognises the liabilities to make lease payments and the underlying leased assets.

Right of Use (ROU) Assets

The Club recognises the ROU assets at the commencement date of the lease. ROU assets are measured at cost less any accumulated depreciation or impairment

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

losses. ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the asset.

Lease Liabilities

At the commencement of the lease, the Club recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, including any purchase option available at the end of the term where it is reasonably certain to be exercised by the Club.

In calculating the present value of lease payments, the Club uses its incremental borrowing rate at the lease commencement date unless the interest rate implicit in the lease can be determined. After commencement date, the lease liability is increased to reflect the interest accrued and reduced by the lease payments.

Short term leases and leases of low value assets

Club applies the recognition exemption for leases with a term at commencement of less than 12 months and to leases of assets considered to be of low value. Such lease payments are recognised as an expense over the term of the lease.

(k) Employees' Benefits

Provision has been made for long service leave and annual leave in accordance with statutory requirements, on the basis of pro rata entitlement on the wage and salary levels, including salary on-costs, of employees at reporting date.

The long service leave provision applies only to those employees who have completed at least five years' service with the Club, which is based on experience of staff turnover. The amounts attributable to employees with at least ten years' service is shown as a current liability, and the balance is shown as a non-current liability

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 that are payable later than one year have been calculated using a nominal value basis rather than the standards based present value of future cash flows method, however the result under each of these methods is not materially different.

Superannuation contributions are made to an employee superannuation fund and charged as expenses in the period in which they are incurred.

(l) Income Tax

No income tax has been provided in the accounts as the Club did not derive any taxable income.

Under present income tax legislation and in accordance with mutuality principles, net income derived from members is not assessable for income tax purposes.

Deferred tax assets arising from tax losses are brought to account only when it is probable that taxable income will be available in the future to absorb these losses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(m) Current versus non-current classification

The Club presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is: expected to be realised, sold or consumed in the normal operating cycle; held for the purpose of trading; expected to be realised within twelve months after reporting date; or cash or cash equivalent. All other assets are classified as non-current.

A liability is current when it is expected to be settled in the normal operating cycle; held primarily for trading; due to be settled within twelve months after the reporting date; or there is no unconditional right to defer settlement of the liability for at least twelve months after reporting date. All other liabilities are classified as non-current.

(n) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year. When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

(o) Significant Accounting Estimates, Judgements and Assumptions

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

The key estimates used are:

- (1) Useful lives of fixed assets are estimated in order to calculate depreciation rates.
- (2) Future cash flows and discount rates in order to calculate net present values for impairment calculations and for long-term liabilities.
- (3) To calculate the Clubs incremental cost of borrowing for lease liabilities.

(p) Changes in accounting policies, disclosures, standards and interpretations

During the current year the company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The new or amended Australian Accounting Standards that apply for the first time in this financial year do not have a significant impact of the disclosures in the Club's financial statements or the measurement of the Club's revenue, expenses, assets and liabilities.

BEROWRA RSL CLUB LIMITED
ACN 000 967 180

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
2. REVENUE		
Revenue from contracts with customers		
Revenue from services		
Gaming and provision of other services	1,097,064	1,368,547
Members subscriptions	22,625	24,771
	1,119,689	1,393,318
Revenue from sale of goods		
Sale of goods: food and beverages	1,263,079	1,287,753
	1,263,079	1,287,753
Total revenue from contracts with customers	\$2,382,768	\$2,681,071
Geographical Markets		
Australia	\$2,382,768	2,681,071
	\$2,382,768	\$2,681,071
Timing of Revenue Recognition		
Goods and services at point of time	2,360,143	2,656,300
Services transferred over time	22,625	24,771
	\$2,382,768	\$2,681,071
Other Income		
Profit on sale of property plant & equipment	-	3,182
Insurance claim	-	25,256
Other income	14,598	20,065
Total other income	\$14,598	\$48,503
TOTAL REVENUE	\$2,397,366	\$2,729,574
3. PROFIT FOR THE YEAR		
The Net Profit for the year has been determined after charging for:		
Finance costs		
- Interest paid	96	2,562
- Lease charges & interest	14,845	4,123
- Interest on right of use asset leases	109,469	53,792
	\$124,410	\$60,477
Profit on sale of assets:		
- Profit on sale of plant and equipment	-	3,181
	-	\$3,181

BEROWRA RSL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
3. PROFIT FOR THE YEAR		
Profit on sale of assets:		
- Profit on sale of plant and equipment	-	3,181
	-	\$3,181
Depreciation and amortisation:		
- Leasehold improvements	25,226	26,393
- Plant and equipment	103,006	97,210
- Right of use assets - plant and equipment	6,577	42,713
- Right of use assets - Club premises	63,057	87,077
	\$197,869	\$253,393
Superannuation - defined contributions plan	108,463	103,083
	\$108,463	\$103,083
Auditor's remuneration		
- Audit of the financial statements	14,000	14,000
- Other services	4,900	6,100
	\$18,900	\$20,100
Government Grants – COVID-19		
- JobSaver wages subsidy repaid	-	(38,046)
	-	\$(38,046)
4. CASH AND CASH EQUIVALENTS		
Cash at bank	190,448	305,855
Cash on hand	55,100	55,100
	\$245,548	\$360,955
5. INVENTORIES		
Bar stock	26,480	23,987
Bistro stock	8,012	10,433
Stock on hand at cost	\$34,492	\$34,420
6. FINANCIAL ASSETS		
Current -		
Bank fixed interest deposits (a)	\$160,000	\$260,400
(a) A \$60,000 term deposit has been used to secure a bank guarantee required by the premises lease agreement		
7. OTHER CURRENT ASSETS		
Prepayments	7,540	8,107
Trade and sundry debtors	9,002	12,121
	\$16,542	\$20,228

BEROWRA RSL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>2023</u>	<u>2022</u>
8. PLANT AND EQUIPMENT		
Furniture, fittings, plant and equipment - at cost	448,663	471,975
Provision for depreciation	(357,602)	(352,624)
	<u>\$91,061</u>	<u>\$119,351</u>
Motor vehicles – at cost	16,131	16,131
Provision for depreciation	(4,700)	(2,281)
	<u>\$11,431</u>	<u>\$13,850</u>
Leasehold Improvements – at cost	416,969	407,433
Provision for depreciation	(340,481)	(315,256)
	<u>\$76,488</u>	<u>\$92,178</u>
Poker machines – at cost	925,886	921,781
Provision for depreciation	(749,975)	(704,458)
	<u>175,911</u>	<u>217,323</u>
Total Plant and Equipment	<u>\$354,891</u>	<u>\$442,702</u>
Reconciliation of Carrying Values		
Furniture, fittings, plant and equipment		
Carrying value at start of year	119,351	137,945
Additions	8,020	21,137
Depreciation	(36,310)	(39,731)
Carrying value at year end	<u>\$91,061</u>	<u>\$119,351</u>
Motor Vehicles		
Carrying value at start of year	13,850	-
Additions	-	16,131
Proceeds on sale	-	(3,182)
Profit on sale	-	3,182
Depreciation	(2,419)	(2,281)
Carrying value at year end	<u>\$11,431</u>	<u>\$13,850</u>
Leasehold Improvements		
Carrying value at start of year	92,178	118,570
Additions	9,536	-
Depreciation	(25,226)	(26,393)
Carrying value at year end	<u>\$76,488</u>	<u>\$92,178</u>
Poker Machines		
Carrying value at start of year	217,323	132,007
Additions	22,865	140,515
Depreciation	(64,277)	(55,199)
Carrying value at year end	<u>\$175,911</u>	<u>\$217,323</u>
	<u>\$354,891</u>	<u>\$442,702</u>

BEROWRA RSL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>2023</u>	<u>2022</u>
9. RIGHT OF USE ASSETS		
Leased plant and equipment	22,655	36,295
Provision for depreciation	(1,133)	(26,011)
	<u>\$21,522</u>	<u>\$10,284</u>
Leased Club premises	1,348,903	1,245,269
Provision for depreciation	(669,783)	(606,726)
	<u>\$679,120</u>	<u>\$638,543</u>
Total Right of use assets	<u>\$700,642</u>	<u>\$648,827</u>
Reconciliation of Carrying Values		
Leased plant and equipment		
Carrying value at start of year	10,284	52,997
Other adjustments	(4,840)	-
Additions	22,655	-
Depreciation	(6,577)	(42,713)
Carrying value at year end	<u>\$21,522</u>	<u>\$10,284</u>
Leased Club premises		
Carrying value at start of year	638,543	613,640
Other Adjustments	103,634	111,980
Depreciation	(63,057)	(87,077)
Carrying value at year end	<u>\$679,120</u>	<u>\$638,543</u>
	<u>\$700,642</u>	<u>\$648,827</u>
10. TRADE AND OTHER PAYABLES		
Trade creditors and accruals	177,664	196,735
Deferred rent payable	500	7,074
	<u>\$178,164</u>	<u>\$203,809</u>
11. LEASE LIABILITIES		
Lease liabilities plant and equipment	87,037	104,999
Lease liabilities Club premises	841,754	773,872
	<u>\$928,791</u>	<u>\$878,871</u>
Represented by:-		
Current – due within 1 year	202,045	195,925
Non-Current		
- Due within 2 – 5 years	674,588	682,946
- Due later than 5 years	52,158	-
	<u>\$928,791</u>	<u>\$878,871</u>
Total cash outflows for lease payments	\$202,016	\$192,362

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
Reconciliation of Carrying Values		
Carrying value at start of year	878,871	801,345
Add interest	124,314	57,916
Add new leases commenced	23,987	99,991
Other adjustments	103,635	111,981
Less repayments	(202,016)	(192,362)
Carrying value at year end	\$928,791	\$878,871

The Club has entered a Type 4 Agreement with Aristocrat for the supply of poker machines which requires monthly payments over 36 months. The liabilities are secured by the specific leased assets.

The Club has a lease with the landlord of the Club's premises which requires monthly rental payments until 30 September 2034. This is an operating lease over a right of use asset.

The Club has a lease for photocopier requiring monthly rental payments over 60 months. This is an operating lease over a right of use asset.

12. FINANCIAL LIABILITIES

Current -

Secured Loans	-	3,007
	-	\$3,007

13. EMPLOYEE BENEFITS LIABILITIES

Accrued annual leave	56,122	81,124
Long service leave	23,959	7,459
	\$80,081	\$88,583
	\$80,081	\$88,583

Represented by:-

- Current	56,595	82,678
- Non-Current	23,486	5,905
	\$80,081	\$88,583
	\$80,081	\$88,583

BEROWRA RSL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
14. OTHER LIABILITIES		
Current -		
Income received in advance	\$3,358	\$5,324
Non-Current -		
Income received in advance	\$28,493	\$25,343
15. CAPITAL AND LEASING COMMITMENTS		
(a) Capital Expenditure Commitments		
Capital commitments at balance date:	Nil	Nil
(b) Contingent Liabilities		
(1) Bank guarantees	\$60,000	\$60,000
(2) Gaming machine jackpots	\$10,000	\$10,000
(3) There are no material legal matters pending against the Club		
16. CASH FLOW INFORMATION		
(a) Reconciliation of Operating Profit After Tax to Net Operating Cash Flows		
Operating profit after tax	(269,367)	(39,400)
Non-cash (income) and expenses -		
Depreciation and amortisation	197,868	253,393
(Profit)/Loss on disposal assets	-	(3,182)
Changes in assets and liabilities -		
Decrease/ (increase) in inventories	(73)	2,620
Decrease/ (increase) in other assets	3,686	12,307
(Decrease)/ increase in payables	(25,644)	28,479
(Decrease)/ Increase in other liabilities	1,183	(1,080)
(Decrease)/ Increase in employee benefits liabilities	(8,501)	(3,303)
Net Operating Cash Flows	\$(100,848)	\$249,834
(b) Financing Facilities		
The Club has the following financing facilities:		
Bank overdraft facility (unsecured)	45,000	45,000
Amounts used	-	-
Unused facilities	\$45,000	\$45,000
17. KEY MANAGEMENT PERSONNEL		
Key management personnel are those persons having authority and responsibility for planning, directing and controlling activities of the Club, including the directors.		
Total compensation of key management personnel	\$180,310	\$172,675

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2023

2022

18. RELATED PARTY TRANSACTIONS

Transactions between related parties including key management personnel are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated, or approved at an Annual General Meeting.

Apart for the detail disclosed in this note, no related party has entered into a material contract with the club since the end of the previous financial year, and no such material contracts existed at year end. There were no amounts receivable from or payable to related parties at the current or previous reporting date.

19. EVENTS SUBSEQUENT TO BALANCE DATE

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years, except:

20. MEMBERSHIP GUARANTEE

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the Constitution states that each member is required to contribute a maximum of \$5.00 towards meeting any outstanding obligations of the entity. At 31 December 2023, the number of members was 2,588 and the total member liability is \$12,940.

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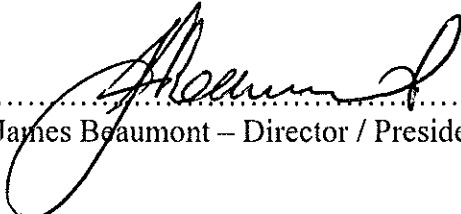
DIRECTORS' DECLARATION

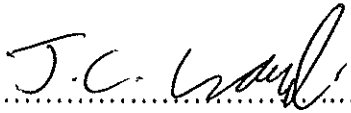
The directors have determined that the company is a reporting entity that does not have public accountability as defined in AASB 1053: Application of Tiers of Australian Accounting Standards and that these general purpose financial statements should be prepared in accordance with Australian Accounting Standards – Simplified Disclosure.

In accordance with a resolution of the directors of Berowra RSL Club Limited the directors of the company declare that:

1. The accompanying financial statements and notes are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards – Simplified Disclosure;
 - (b) give a true and fair view of the Company's financial position as at 31 December 2023 and of its performance for the year ended on that date.
2. In the directors' 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.

This declaration is made in accordance with a resolution of Board of Directors this 27th day of March 2024.


.....
James Beaumont – Director / President


.....
Jason Lord – Director/ Treasurer

BEROWRA RSL CLUB LIMITED
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INDEPENDENT AUDITORS REPORT

To the members of Berowra RSL Club Limited

Opinion

We have audited the financial report of Berowra RSL Club Limited (the company), 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 directors' declaration.

In our opinion, the accompanying financial report of Berowra RSL Club Limited is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2023 and of its performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosure and the Corporations Regulations 2001.

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 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 the company, 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.

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

The directors are responsible for the other information. The other information comprises the information included in the company'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. 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.

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 and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that 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 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 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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.

Signed on: 28th March 2024



Brigden & Partners Pty Ltd, Chartered Accountants

David Smith – Director

Level 3, 20 George Street, Hornsby NSW 2077