



EUSTON CLUB
R E S O R T

2022/2023

Annual Report & Balance Sheet

Euston Bowling & Recreation Club Limited
ABN 78 002 525 215

EUSTON BOWLING & RECREATION CLUB LIMITED

ABN 78 002 525 215

NOTICE OF MEETING

Notice is hereby given that the 41st Annual General Meeting of the Euston Bowling & Recreation Club Limited, will be held on Tuesday 17th October 2023 at 7.00pm.

AGENDA

1. Apologies.
2. Confirmation of the Minutes of the last Annual General Meeting held on Tuesday 20th September 2022.
3. To receive & adopt the Consolidated Financial Statements of the Club and its controlled entities (the 'club' or 'group') for the year ended 30th June 2023 and the reports by Directors and Auditors thereon.
4. Appointment of Auditors.
5. **Ordinary Resolution**

To consider and if thought fit, pass the following resolution

The following benefits to the Board of Directors
 - (a) Approve the provision of reasonable snacks and refreshments whilst attending Board Meetings of the club.
 - (b) Approve the provision of meal & refreshment for Directors, management and their partners at the end of elected term dinner.
 - (c) Approve the provision of meal & refreshment for Directors, management and invited guests at the Annual Xmas Dinner.
 - (d) Approve reasonable costs for entertaining Official guests of the Club as approved by the Board.
 - (e) Approve reasonable costs for members of the Board & Management attending Seminars, Lectures, Trade displays and other similar events as maybe determined by the board from time to time.
 - (f) The provision of Directors uniform and associated apparel for the use of members of the Board when representing the club.
 - (g) Approve an allowance of \$150 per day for Directors whilst they are representing the Club outside the District
6. **Special Resolutions**
7. To deal with any other business of which due notice has been given.
8. Recommendations to the incoming Board (no discussion shall take place).

By direction of the Board of Directors,



Guy Fielding
Chief Executive Officer

Dated: 7th September 2023

EUSTON BOWLING & RECREATION CLUB LIMITED

ABN 78 002 525 215

DIRECTORS' REPORT

Your directors present their report on the club and its controlled entities (otherwise referred to as the 'group' or 'club' for the financial year ended 30 June 2023).

Directors

The names of the directors in office at any time during or since the end of the year are listed below. Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Mr Henry Stephen Leslie	(President)
Mr Ian Bolt	(Vice President)
Mr Desmond Thompson	
Mr Leigh Byron	Resigned 20/09/22
Mr Neil Tolley	
Mr Garry Stoll	Resigned 20/09/22
Mr Gray Woodhead	
Mr Matthew Leslie	Appointed 20/09/22
Mr Bradley Hocking	Appointed 20/09/22

Review of Operations

The consolidated profit of the group for the financial year after providing for income tax amounted to \$4,861,182 (2022: \$4,147,591).

Principal Activities

The principal activities of the club during the financial year were hospitality and gaming. Financial surpluses derived from the group's principal activities are used to upgrade and maintain facilities, support local sporting, community and welfare organisations and recruit, retain and develop the group's people. No significant change in the nature of these activities occurred during the year.

Significant changes in State of Affairs

No significant changes in the club's state of affairs occurred during the financial year.

Objectives, Strategies and Performance

The objectives of the group are to service its community and to create an iconic hospitality, sporting and leisure precinct for members and guests to enjoy. To achieve its objectives, the group has adopted the following strategies:

- Develop and implement the precinct Master Plan
- Provide a safe, friendly and welcoming environment for members and guests
- Diversify and develop income and operations
- Invest in and develop our people to provide exceptional professional and personalised service
- Operate ethically and manage risk.

The group measures its performance through the use of quantitative and qualitative indicators. The indicators monitor and assess financial sustainability, risk and stakeholder engagement to ensure the group's short and long-term objectives are achieved.

Information on Directors and Meeting of Directors

During the financial year, 13 meetings of directors were held; the number of meetings attended by each member during the year alongside details of current occupations and qualifications is tabled below.

Name	Occupation/Qualifications	Meetings	
		A	B
Mr Henry Stephen Leslie	(President) Farmer	13	13
Mr Ian Bolt	(Vice President) Retired	13	13
Mr Desmond Thompson	Retired	13	12
Mr Leigh Byron	Retired	13	11
Mr Neil Tolley	Building Contractor	13	13
Mr Garry Stoll	Retired	13	9
Mr Gray Woodhead	Self Employed	13	9
Mr Matthew Leslie	Self Employed	10	9
Mr Bradley Hocking	Farmer	10	10

A – Number of meetings eligible to attend.

B – Number of meetings attended.

DIRECTORS' REPORT (CONTINUED)

Information on Company Secretary

Guy Fielding has held the role of Company Secretary since February 2021 and has over 27 years of experience employed in the club industry. During this time Guy has gained skills in every facet of club operations combined with the attainment of a Bachelor of Business majoring in Club and Gaming Management in 2004.

Change in Financial Reporting Framework

In previous reporting periods the club prepared 'Tier 1' general purpose financial statements. During the year ended 30 June 2023 the club reassessed its financial reporting framework. As an unlisted private sector entity, the club concluded it does not have 'public accountability' as defined in AASB 1053 *Application of Tiers of Australian Accounting Standards* and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards. In order to simplify its financial statements and provide members with more useful and relevant information, the club transitioned from 'Tier 1' to 'Tier 2' general purpose financial statements for the year ended 30 June 2023. The transition had no impact on the club's revenue, expenses, assets or liabilities. Refer to Note 2 for further information.

Events Subsequent To The End Of The Reporting Period

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

Proceedings On Behalf Of The Company

No person has applied for leave of Court to bring proceedings on behalf of the club or intervene in any proceedings to which the club is a party for the purpose of taking responsibility on behalf of the club for all or any part of those proceedings. The club was not a party to any such proceedings during the year.

Dividends

No dividends have been paid or declared since the end of the financial year and no dividends have been recommended or provided by the directors as the company is limited by guarantee and cannot distribute dividends under its Constitution.

Likely Developments and Expected Results Of Operations

The Directors are not aware of any developments likely to affect the operations of the company in the next twelve months, except for the effect of the consequences of Covid19, if applicable.

Directors and Auditors Indemnification

The club has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the company:

- (i) indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.
- (ii) paid or agreed to pay a premium in respect of a contract insuring against a Liability incurred as an officer for the costs or expenses to defend legal proceedings.

The club has paid premiums to insure all directors and officers of the company against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or office of the club, other than conduct involving a wilful breach of duty in relation to the club. Disclosure of the amount of the premium paid is prohibited by the insurance contract.

Members Guarantee

The parent entity is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the parent entity is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding's and obligations of the entity. At 30 June 2023 the number of members was 6542 (2022: 6,412).

Auditors Independence Declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out in the financial statements.

The Directors Report is signed in accordance with a resolution of the Board of Directors.



Henry S Leslie
President

Euston Bowling & Recreation Club Limited
Dated: 7 September 2023



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
afs@afsbendigo.com.au
(03) 5443 0344

Lead auditor's independence declaration under section 307c of the *Corporations Act 2001* to the directors of Euston Bowling & Recreation Club Limited

I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the auditor independence requirements of 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.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart', is positioned above the printed name.

Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Date: 7 September 2023

A handwritten signature in black ink, appearing to read 'Lachlan Tatt', is positioned above the printed name.

Lachlan Tatt
Lead Auditor

EUSTON BOWLING & RECREATION CLUB LIMITED
ABN 78 002 525 215

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
Income			
Sale of Goods and Rendering of Services	5	16,717,459	13,491,585
Dividends Received		34	107
Interest Received		39,052	197,113
Other Income	6	151,539	504,656
		<u>16,908,083</u>	<u>14,193,461</u>
Cost of Sales			
Raw Materials and Consumables Used	7	1,954,147	1,443,235
Poker Machine Licences and Taxes	8	2,848,415	2,276,041
		<u>4,802,562</u>	<u>3,719,276</u>
Gross Profit		<u>12,105,521</u>	<u>10,474,185</u>
Expenses			
Administrations & Other	9	905,898	710,146
Advertising		122,062	101,047
Depreciation	10	1,400,878	1,307,844
Donations		280,748	208,447
Employment (Excl Directors)	11	3,318,824	2,829,576
Interest Paid		85,517	303,592
Members' Functions		389,490	260,298
Repairs & Maintenance		265,732	283,422
		<u>6,769,150</u>	<u>6,004,373</u>
Profit before Income Tax		<u>5,336,371</u>	<u>4,469,812</u>
Income Tax Expense	12	475,189	322,221
Profit after Income Tax		<u>4,861,182</u>	<u>4,147,591</u>
Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		<u>4,861,182</u>	<u>4,147,591</u>

The accompanying notes form part of these financial statements.

EUSTON BOWLING & RECREATION CLUB LIMITED
ABN 78 002 525 215

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$
Current Assets			
Cash and Cash Equivalents	13	6,699,929	6,031,386
Trade and Other Receivables	14	93,151	64,779
Prepaid Expenses	15	554,224	3,080,278
Inventories	16	126,791	96,115
		<u>7,474,095</u>	<u>9,272,558</u>
Non-Current Assets			
Investments	17	1,837	1,852
Property, Plant & Equipment	18	28,241,593	21,626,404
Intangible Assets	19	2,716,504	2,462,211
Other Assets	20	38,962	52,608
		<u>30,998,896</u>	<u>24,143,075</u>
Total Assets		<u>38,472,991</u>	<u>33,415,633</u>
Current Liabilities			
Trade and Other Payables	21	1,830,477	1,399,498
Employee Benefits	22	319,501	407,775
Borrowings	23	302,596	-
Current Tax Liability/(Asset)		143,666	(241,655)
		<u>2,596,241</u>	<u>1,565,619</u>
Non-Current Liabilities			
Employee Benefits	22	187,609	175,788
Borrowings	23	934,644	1,780,912
		<u>1,122,253</u>	<u>1,956,700</u>
Total Liabilities		<u>3,718,494</u>	<u>3,522,318</u>
Net Assets		<u>34,754,497</u>	<u>29,893,315</u>
Members' Funds			
Retained Earnings		34,754,497	29,893,315
Total Members' Funds		<u>34,754,497</u>	<u>29,893,315</u>

The accompanying notes form part of these financial statements.

EUSTON BOWLING & RECREATION CLUB LIMITED
ABN 78 002 525 215

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
Balance as at 1st July 2022	29,893,315	25,745,724
Profit for the Year	4,861,182	4,147,591
Balance as at 30th June 2023	<u>34,754,497</u>	<u>29,893,315</u>

The accompanying notes form part of these financial statements.

EUSTON BOWLING & RECREATION CLUB LIMITED
ABN 78 002 525 215

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Cash Flow from Operating Activities			
Receipts from members & visitors		18,527,541	14,581,859
Dividends received		34	107
Interest received		39,052	197,113
Payments to suppliers & employees		(11,220,261)	(14,114,944)
Donations paid		(280,748)	(208,447)
Interest paid		(85,517)	(303,592)
Income tax paid		(89,868)	(837,753)
ATO Covid-19 Payments		-	295,805
Net cash provided by operating activities	28(b)	<u>6,890,233</u>	<u>(389,852)</u>
Cash Flow from investing Activities			
Payments for Intangible Assets		(254,293)	(254,401)
Payments for Property, Plant and Equipment		(5,579,618)	(1,092,978)
Proceeds from Sale of Property, Plant and Equipment		155,893	172,590
Net cash used in investing		<u>(5,678,018)</u>	<u>(1,174,789)</u>
Cash Flow from Financing Activities			
Proceeds/(Repayments) of Borrowings		(543,672)	1,016,580
Net cash provided (used) by financing activities		<u>(543,672)</u>	<u>1,016,580</u>
Net (Decrease)/Increase in Cash		<u>668,543</u>	<u>(548,061)</u>
Cash at the beginning of the year		6,031,386	6,579,447
Cash at the end of the year	28(a)	<u>6,699,929</u>	<u>6,031,386</u>

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 1: CORPORATE INFORMATION

The financial statements cover Euston Bowling & Recreation Club Limited and its controlled entities.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 7 September 2023.

The club is an unlisted public company limited by guarantee, incorporated and domiciled in Australia. The members are the owners of the club.

Its registered and principal place of business are:

Euston Club Resort
Nixon Street
Euston NSW 2737

A description of the nature of the club's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') in order to meet the club's financial reporting requirements of the *Corporations Act 2001*.

Statement of Compliance

In previous reporting periods the club prepared 'Tier 1' general purpose financial statements in accordance with AASB 1053 *Application of Tiers of Australian Accounting Standards*. Tier 1 incorporates International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and includes requirements that are specific to Australian entities.

During the year ended 30 June 2023 the club reassessed its financial reporting framework. As an unlisted private sector entity, the club concluded it does not have 'public accountability' as defined in AASB 1053 and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards.

As such, in order to simplify its financial statements and provide members with more useful and relevant information, the club transitioned from preparing 'Tier 1' to 'Tier 2' general purpose financial statements for the year ended 30 June 2023. The transition had no impact on the club's revenue, expenses, assets or liabilities.

The financial statements therefore comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and the disclosure requirements of AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures.

Historical Cost Convention

The financial statements have been prepared under the historical cost convention.

Critical Accounting Estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the club's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Functional and Presentation Currency and Rounding

The financial statements are presented in Australian dollars, which is the club's functional and presentation currency. The financial statements have been rounded to the nearest dollar. Total figures in the financial statements may not equate due to rounding.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Going Concern

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

Parent Entity Information

In accordance with the *Corporations Act 2001*, these financial statements present information for the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 25.

New or Amended Accounting Standards and Interpretations Adopted

There were no new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period and had a material impact on the club's financial statements.

New or amended Accounting Standards and Interpretations that are not yet mandatory have not been early adopted, nor are they expected to have a material impact on the club in future reporting periods.

Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Euston Bowling & Recreation Club Limited (the 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended ('subsidiaries'). Euston Bowling & Recreation Club Limited and its subsidiaries together are referred to in these financial statements as the 'club', 'consolidated entity' or the 'group'.

Subsidiaries are all those entities over which the club has control. The club controls a subsidiary when the club is exposed to, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power to direct the activities of the subsidiary. Subsidiaries are fully consolidated from the date on which control is transferred to the club. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the club.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Refer to Note 24 for further information regarding controlled entities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Revenue

When the club receives consideration, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the club:

- identifies each performance obligation relating to the consideration
- recognises a contract liability for its obligation under the agreement
- recognises revenue as it satisfied its performance obligations, either at a point or over time when underlying services are rendered.

This applies to the club's significant revenue streams as follows:

Bar revenue

Revenue is recognised when bar products are provided to the customer. Revenue is recognised at a point in time.

Gaming machine revenue

The gaming revenue directly attributable to the club is recognised as the residual value after deducting the return to customers from wagering and gaming turnover. The club recognises its portion of revenue. Tax and licence fees incurred from gaming machine revenue are disclosed as an expense in profit or loss. Revenue is recognised as a point in time when services are transferred to the customer.

Dining room revenue

Revenue is recognised when meals are provided to the customer. Revenue is recognised at a point in time.

Motel revenue

Revenue is recognised when a customer stays at the motel. Revenue is recognised over time as the customer simultaneously receives and consumes a benefit.

Cabin revenue

Revenue is recognised when a customer stays at a cabin. Revenue is recognised over time as the customer simultaneously receives and consumes a benefit.

Subscription revenue

Revenue from membership subscriptions are recognised as revenue over the membership period. Revenue is recognised over time.

(c) Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses, assets and liabilities are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the Consolidated Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Income Tax

Income tax expense

Income tax expense (income) for the year comprises current income tax expense (income). Income tax expense charged to profit or loss is the tax payable on taxable income and is measured at the amounts expected to be paid to (or recovered from) the Australian Taxation Office (ATO).

For income tax purposes, the club 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, e.g. poker machines, bar and dining room service. The Commissioner of Taxation accepts this method of calculating income as appropriate for recognised clubs and associations.

Amendments to the *Income Tax Assessment Act 1997* ensure social clubs continue not to be taxed on receipts from contributions and payments received from members.

Accordingly, income tax expense is not paid on any taxable income from transactions with members of the club.

Current tax assets and liabilities

Current tax assets and liabilities are calculated by reference to the amount of income tax payable or recoverable in respect of the taxable profit or tax loss for the year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or not refundable).

Deferred tax assets and liabilities

The club does not recognise deferred tax assets and liabilities on the Statement of Financial Position. This is because deferred tax is not considered material to the club when calculated using the principle of mutuality.

(e) Current and Non-current Classification

Assets and liabilities are presented in the Consolidated Statement of Financial Position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the club's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the club's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(f) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Trade and Other Receivables

Trade and other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Prepaid Expenses

Prepaid expenses are recognised as an asset where the club has paid for an expense in advance at balance date and is to receive an economic benefit in a future reporting period.

(i) Inventories

Inventories consist, primarily, of bar stock and other related items and are measured at net realisable value. Costs are assigned on a specific identification basis.

(j) Property, Plant and Equipment

Recognition and measurement

Each class of property, plant and equipment is carried at cost, less, where applicable, any accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the club and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Buildings	2.5-4.5%
Plant and Equipment	15-25%
Poker Machines	15-30%
Motor Vehicles	20-22.5%
Office Furniture and Fittings	8-40%
Furniture and Fittings	10-25%
Kitchen Equipment	10-20%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the club.

Capital works in progress are the cost incurred to date for capital projects that are underway at reporting date. Capital works in progress are not depreciated until they are ready for use and allocated to the appropriate asset category.

(k) Intangible Assets

Each class of intangible asset is carried at cost, less, where applicable, any accumulated amortisation. Historical cost includes any expenditure that is directly attributable to the acquisition of the items.

The club's gaming machine entitlements are considered to be intangible assets with an indefinite life as there is no set term for holding the entitlements. As a result, the entitlements are not subject to amortisation. Instead, the entitlements are tested for impairment annually and are carried at cost less accumulated impairment losses.

Gaming machine entitlements are not considered to have an active market, hence the recoverable amount of gaming machine entitlements is calculated using the value in use method based on management's 5 year forecasts of revenue and expenditure from gaming.

An intangible asset is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the intangible asset (calculated as the difference between the net disposal proceeds and the carrying amount) is recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Impairment of Non-Financial Assets

Non-financial assets with finite useful lives (such as property, plant and equipment) are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Non-financial assets with indefinite useful lives (such as gaming machine entitlements) are tested for impairment annually, irrespective of whether or not an indication of impairment exists.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(m) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the club prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(n) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(o) Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

(p) Financial Instruments

The club's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable, and borrowings.

Initial recognition of financial assets and financial liabilities

Financial assets and financial liabilities are recognised when the club becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the club commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction 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. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement of financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability cannot be reclassified

Classification and subsequent measurement of financial assets

Financial assets are subsequently measured at amortised cost on the basis of the two primary criteria:

- (a) the contractual cash flow characteristics of the financial asset and
- (b) the business model for managing the financial assets.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for derecognition of a financial asset:

- (a) the right to receive cash flows from the asset has expired or been transferred
- (b) all risk and rewards of ownership of the asset have been substantially transferred and
- (c) the club no longer controls the asset (ie no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Impairment of financial assets

The club recognises a loss allowance for expected credit losses on:

- (a) financial assets that are measured at amortised cost
- (b) contract assets (eg amount due from customers under construction contracts)
- (c) loan commitments that are not measured at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The club uses the simplified approach to impairment, as applicable under AASB 9, which is applicable to trade receivables. The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss, (ie diversity of its customer base, appropriate groupings of its historical loss experience etc). The provision for expected credit losses is not considered material to the financial statements.

(q) Pursuant to Section 41J(2) of the Registered Clubs Act for the financial year ended 30 June 2023:

a) The following properties are core properties;

- | | |
|---------------------------------|---|
| (i) Euston Club and Cabin Park | Lot 1 DP864547 |
| | Lot 16, 17, 18 Section 13 DP758402 |
| (ii) Euston Club and Cabin Park | 20-27 Broughton Street, Euston NSW 2737 |

b) The following properties are non-core property of the Club;

- | | |
|-------------------------|------------------------------------|
| (i) Club Residence | 30 Nixon Street, Euston NSW 2737 |
| (ii) Club Residence | 17 Nixon Street, Euston NSW 2737 |
| (iii) Club Residence | 3 Tayla Court, Euston NSW 2737 |
| (iv) Club Residence | 2 Selwyn Street, Euston NSW 2737 |
| (v) Club Residence | 10 Murray Terrace, Euston NSW 2737 |
| (vi) Club Residence | 15 Murray Terrace, Euston NSW 2737 |
| (vii) Euston Club Motel | Murray Terrace, Euston NSW 2737 |

Note to Members

1. Section 41J(2) of the Registered Clubs Act requires the annual report to specify the core property and non-core property of the Club as at the end of the financial year to which the report relates.
2. Core property is any real property owned or occupied by the Club that comprises:
 - (a) the defined premises of the Club; or
 - (b) any facility provided by the Club for use of its members and their guests; or
 - (c) any other property declared by a resolution passed by a majority of the members present at a general meeting of Ordinary members of the Club to be core property of the Club.
3. Non-core property is any other property other than that referred to above as core property and any property which is declared by the members at a general meeting of ordinary members of the Club not to be core property.
4. The significance of the distinction between core property and non-core property is that the Club cannot dispose of any core property unless:
 - (a) the property has been valued by a registered valuer within the meaning of the Valuers Act 2003; and
 - (b) the disposal has been approved at a general meeting of the ordinary members of the Club at which the majority of the votes cast support the approval; and
 - (c) any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. These disposal provisions and what constitutes a disposal for the purpose of section 41J are to some extent modified by regulations made under the Registered Clubs Act and by Section 41J itself. For example, the requirements in paragraph 4 above do not apply to;

- Core property that is being leased or licensed for a period not exceeding 10 years on terms that have been the subject of a valuation by registered valuer;
- Core property that is leased or licensed to a telecommunication provider for the purposes of a telecommunication tower.

The requirement to specify core property and non core property in the Annual Report of the Club came into effect on 21 December, 2007 which is why this information has not been previously appeared in the Annual Report.

NOTE 3: CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The club determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Recoverability of intangible assets

Impairment of gaming machine entitlements is recognised based on a value in use calculation and is measured at the present value of the estimated future cash inflows available to the club from the use of such entitlements. In determining the present value of the cash inflows, assumptions regarding growth rates and appropriate discount factors have been applied to the cash flows.

Long service leave entitlements

The liability for long service leave entitlements is recognised and measured at the present value of the estimated future cash flows to be made in respect to all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

NOTE 4: CHANGES TO COMPARATIVE FIGURES

According to AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, a prior period error is an omission from, and misstatements in, the club's financial statements for one or more periods arising from a failure to, or misuse of, reliable information that:

- (a) was available when financial statements for those periods were authorised for issue; and
- (b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretation of facts.

During the year ended 30 June 2023 the club identified a number of prior period errors that occurred in the preparation of its financial statements for the year ended 30 June 2022.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 4: CHANGES TO COMPARATIVE FIGURES (CONTINUED)

Elimination of investment in subsidiary

In the preparation of its consolidated financial statements for the year ended 30 June 2022, the club recorded a \$1,820,001 investment in Simi Pty Ltd, which is a wholly owned and controlled subsidiary of the club. This presentation did not comply with AASB 10 *Consolidated Financial Statements*, which requires the club to eliminate transactions and balances between the parent entity and subsidiaries in the preparation of consolidated financial statements.

Accordingly, the club has restated the comparatives presented in the consolidated financial statements to eliminate the investment in subsidiary against retained earnings, reducing the club's:

- consolidated investments by \$1,820,001 at 30 June 2022
- consolidated retained earnings by \$1,820,001 at 30 June 2022 and 1 July 2021.

This restatement had no impact on the club's net profit for the year ended 30 June 2022.

Elimination of inter-group loans

In the preparation of its consolidated financial statements for the year ended 30 June 2022, the club recorded a:

- loan receivable of \$2,888,729, which was classified within other assets
- loan payable of \$2,888,729, which was classified within secured bank loans.

The loan receivable and payable represented an inter-entity loan between the club (parent entity) and its subsidiary, being Simi Pty Ltd. This presentation did not comply with AASB 10 *Consolidated Financial Statements*, which requires the club to eliminate transactions and balances between the parent entity and subsidiaries in the preparation of consolidated financial statements.

Accordingly, the club has restated the comparatives presented in the consolidated financial statements to eliminate the loan receivable and payable, reducing the club's:

- consolidated other assets by \$2,888,729 at 30 June 2022
- consolidated secured bank loans by \$2,888,729 at 30 June 2022.

This restatement had no impact on the club's net profit for the year ended 30 June 2022.

Presentation of intangible assets

In the preparation of its consolidated financial statements for the year ended 30 June 2022, the club recorded investments of \$4,308,064, which included \$2,462,211 of gaming machine entitlements.

Gaming machine entitlements meet the definition of an intangible asset and are required to be presented and accounted for in accordance with AASB 138 *Intangible Assets*. Whilst the club had correctly accounted for its gaming machine entitlements in accordance with AASB 138 in previous reporting periods, it did not present the gaming machine entitlements as an intangible asset on the Consolidated Statement of Financial Position in accordance with AASB 101 *Presentation of Financial Statements*.

Accordingly, the club has restated the comparatives presented in the consolidated financial statements to classify gaming machine entitlements as an intangible asset:

- increasing consolidated intangible assets by \$2,462,211
- decreasing consolidated investments by \$2,462,211.

This restatement had no impact on the club's net profit for the year ended 30 June 2022.

Presentation of revenue and expenses

In the preparation of its consolidated financial statements for the year ended 30 June 2022, the club offset its revenue, cost of goods sold and direct expenses from bar, dining room, gaming machine and motel trading in the preparation of its Consolidated Statement of Profit or Loss and Other Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 4: CHANGES TO COMPARATIVE FIGURES (CONTINUED)

This presentation did not comply with AASB 101 *Presentation of Financial Statements*, which requires the club to report its income and expenses separately and does not permit offsetting. This is because offsetting detracts from the ability of users both to understand the transactions, other events and conditions that have occurred and to assess the club's future cash flows.

Accordingly, the club has restated the comparatives presented for the consolidated financial statements to present its revenue and expenses separately in profit or loss, increasing the club's:

- consolidated revenue by \$5,377,206
- consolidated expenses by \$5,377,206.

The structure of the club's revenue and expense notes have also been revised to present such information on a gross basis.

This restatement had no impact on the club's net profit for the year ended 30 June 2022.

Cumulative impact on prior period errors

The effect of the above prior period errors had the cumulative impacting of:

- reducing consolidated net assets by \$1,820,001 at 30 June 2022 and at 1 July 2021
- reducing consolidated retained earnings by \$1,820,001 at 30 June 2022 and at 1 July 2021
- increasing consolidated revenue by \$5,377,206 for the year ended 30 June 2022
- increased consolidated expenses by \$5,377,206 for the year ended 30 June 2022.

The restatements had no cumulative impact on the club's net profit for the year ended 30 June 2022.

The cumulative impact of these restatements on the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2022 is illustrated below:

	Previous 2022 \$	Adjustment \$	Restated 2022 \$
Consolidated Statement of Profit or Loss and Other Comprehensive Income			
Total revenue	8,808,755	5,384,706	14,193,461
Total expenditure	(4,346,443)	(5,377,206)	(9,723,649)
Profit before income tax expense	4,462,312	7,500	4,469,812
Income tax expense	(322,221)	-	(322,221)
Profit after income tax expense	4,140,091	7,500	4,147,591
Abnormal Income-Cash Boost	7,500	(7,500)	-
Other comprehensive income	-	-	-
Total comprehensive income	4,147,591	-	4,147,591

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 4: CHANGES TO COMPARATIVE FIGURES (CONTINUED)

The cumulative impact of these restatements on the Consolidated Statement of Financial Position at 30 June 2022 is illustrated below:

	Previous 2022 \$	Adjustment \$	Restated 2022 \$
Consolidated Statement of Financial Position			
<i>Non-Current Assets</i>			
Investments	4,308,064	(4,306,212)	1,852
Intangible Assets	-	2,462,211	2,462,211
Other Assets	2,917,337	(2,864,729)	52,608
 Total Assets	 38,124,364	 (4,708,730)	 33,415,634
 <i>Non-Current Liabilities</i>			
Borrowings	4,669,641	(2,888,729)	1,780,912
 Total Liabilities	 6,411,048	 (2,888,729)	 3,522,319
 Net Assets	 31,713,316	 (1,820,001)	 29,893,315
 <i>Members' Funds</i>			
Retained Earnings	31,713,316	(1,820,001)	29,893,315
 Total Equity	 31,713,316	 (1,820,001)	 29,893,315

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 4: CHANGES TO COMPARATIVE FIGURES (CONTINUED)

The cumulative impact on these restatement on the Consolidated Statement of Financial Position at 1 July 2021 is disclosed below:

	Previous 2021 \$	Adjustment \$	Restated 2021 \$
Consolidated Statement of Financial Position			
<i>Non-Current Assets</i>			
Investments	4,053,663	(4,027,919)	25,744
Intangible Assets	-	2,207,918	2,207,918
Other Assets	264,634	(214,868)	49,766
 Total Assets	 33,299,991	 (2,034,869)	 31,265,122
 <i>Non-Current Liabilities</i>			
Secured Bank Loans	3,653,061	(214,868)	3,438,193
 Total Liabilities	 5,734,266	 (214,868)	 5,519,398
 Net Assets	 27,565,725	 (1,820,001)	 25,745,724
 <i>Members' Funds</i>			
Retained Earnings	27,565,725	(1,820,001)	25,745,724
 Total Equity	 27,565,725	 (1,820,001)	 25,745,724

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**NOTES FOR THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
	\$	\$
NOTE 5: SALE OF GOODS AND RENDERING OF SERVICES		
Bar Revenue	1,173,260	854,946
Dining room revenue	1,504,098	1,154,762
Gaming machine revenue	12,605,333	10,326,391
Motel revenue	597,255	475,554
Cabin revenue	420,707	419,328
Subscriptions & nominations	17,961	16,347
Bowls revenue	19,991	4,779
Keno, TAB and raffles	235,420	181,322
Sundry revenue	143,434	58,156
	<u>16,717,459</u>	<u>13,491,585</u>
<i>Timing of Revenue Recognition</i>		
- At a point in time	15,681,536	12,580,356
- Over time	<u>1,035,922</u>	<u>911,229</u>
	<u>16,717,459</u>	<u>13,491,585</u>
NOTE 6: OTHER INCOME		
Jobkeeper Income	-	288,305
Abnormal Income-Cash Boost	-	7,500
Profit (loss) on Sale of Assets	107,039	169,852
Rent Received (Net)	44,500	39,000
	<u>151,539</u>	<u>504,656</u>
NOTE 7: RAW MATERIALS AND CONSUMABLES USED		
Bar consumables	395,321	285,121
Dining room consumables	822,058	638,326
Gaming consumables	245,696	196,617
Motel consumables	229,469	135,580
Cabin consumables	127,402	79,848
Bowls consumables	27,833	19,022
Keno, TAB and Raffle consumables	106,369	88,719
	<u>1,954,147</u>	<u>1,443,235</u>
NOTE 8: POKER MACHINES LICENCES AND TAXES		
State Poker Machine Tax	2,848,415	2,276,041
	<u>2,848,415</u>	<u>2,276,041</u>

EUSTON BOWLING & RECREATION CLUB LIMITED
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**NOTES FOR THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
	\$	\$
NOTE 9: ADMINISTRATION COSTS		
Audit Fees	21,310	14,344
Accounting Fees	17,618	17,250
Bank Charges	(54,359)	(42,127)
Bingo	47,987	36,508
Cleaning & Laundry	59,789	46,802
Consulting	42,032	36,176
Courtesy Coach	41,178	24,936
Electricity & Gas	188,150	112,009
Insurance	177,853	153,415
Leasing	25,878	24,156
Legal Fees	525	610
Licence Fees	5,034	2,491
Management Fees	3,982	9,426
Motor Vehicle Expenses	11,864	8,353
Office Suppliers & Stationery	7,061	6,221
Postage	1,342	224
Security	14,070	14,088
Rates	94,894	95,917
Subscriptions	80,689	72,408
Sundry	11,424	12,966
Telephone	25,265	27,938
Travel & Conferences	82,312	36,035
	<u>905,898</u>	<u>710,146</u>

NOTE 10: DEPRECIATION

Buildings, property improvements and cabins	463,925	467,329
Poker machines	600,030	417,277
Plant & Equipment	287,613	333,618
Furniture & Office Equipment	49,310	89,620
	<u>1,400,878</u>	<u>1,307,844</u>

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**NOTES FOR THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
	\$	\$
NOTE 11: EMPLOYMENT COSTS		
Employee Housing Benefits	124,091	80,090
Payroll Tax	104,991	35,515
Salaries – Administration	496,119	435,616
Staff & Directors’ Amenities	67,370	40,325
Staff Uniforms	6,812	7,167
Staff Training	6,093	13,020
Superannuation	301,661	247,368
Wages – Bar	398,280	286,926
Wages – Dining	834,235	680,109
Wages – Gaming	283,855	317,180
Wages – Keno, TAB and Raffles	23,283	27,788
Wages – Cleaning and Doorman	269,250	253,856
Wages – Courtesy Coach	152,411	137,435
Wages – Outdoor & Bowling Green	250,374	267,183
	<u>3,318,824</u>	<u>2,829,576</u>

NOTE 12: INCOME TAX EXPENSE

The prima facie tax payable on operating profit is reconciled to the income tax expenses as follows

Prima Facie tax payable in operating profit before income tax at 25%	1,334,093	1,117,453
Income tax expense attributable to:		
Members of the economic entity	475,189	322,221
	<u>475,189</u>	<u>322,221</u>

NOTE 13: CASH AND CASH EQUIVALENTS

Cash on Hand	1,160,300	992,300
Cash at Bank	5,539,629	5,039,086
	<u>6,699,929</u>	<u>6,031,386</u>

NOTE 14: TRADE AND OTHER RECEIVABLES

Trade Debtors	73,418	46,960
Sundry Debtors	19,733	17,819
	<u>93,151</u>	<u>64,779</u>

NOTE 15: PREPAID EXPENSES

Masterplan	378,595	2,970,936
Other Prepaid Expenses	175,629	109,341
	<u>554,224</u>	<u>3,080,278</u>

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**NOTES FOR THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
	\$	\$
NOTE 16: INVENTORIES		
Bar	71,036	48,774
Raffles	9,015	5,690
Dining Room	46,740	41,651
	<u>126,791</u>	<u>96,115</u>
NOTE 17: INVESTMENTS		
Share IAG	1,837	1,852
	<u>1,837</u>	<u>1,852</u>
NOTE 18: PROPERTY, PLANT AND EQUIPMENT		
Land & Improvements at cost	2,268,358	2,268,358
Buildings at Cost	25,822,752	20,464,909
Accumulated Depreciation	(6,035,196)	(5,641,071)
	<u>19,787,556</u>	<u>14,823,838</u>
Property Improvements at cost	524,798	524,798
Accumulated Depreciation	(297,053)	(270,788)
	<u>227,745</u>	<u>254,010</u>
Poker Machines at cost	4,842,088	4,539,024
Accumulated Depreciation	(3,080,115)	(3,320,254)
	<u>1,761,973</u>	<u>1,218,770</u>
Plant & Equipment at cost	6,486,200	6,007,055
Accumulated Depreciation	(4,211,662)	(3,930,967)
	<u>2,274,539</u>	<u>2,076,088</u>
Furniture & Office Equipment at cost	2,062,177	1,599,451
Accumulated Depreciation	(1,467,010)	(1,417,700)
	<u>595,168</u>	<u>181,751</u>
Cabins at Cost	2,038,425	1,472,224
Accumulated Depreciation	(712,170)	(668,635)
	<u>1,326,255</u>	<u>803,589</u>
	<u>28,241,593</u>	<u>21,626,404</u>

EUSTON BOWLING & RECREATION CLUB LIMITED
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**NOTES FOR THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 18: PROPERTY, PLANT AND EQUIPMENT (CONT.)

MOVEMENTS IN CARRYING AMOUNT

	Opening Balance	Additions / (Disposals)	Depreciation	Closing Balance
Land & Improvements at cost	2,268,358	-	-	2,268,358
Buildings at Cost	14,823,838	5,357,842	(394,125)	19,787,556
Property Improvements at cost	254,010	-	(26,265)	227,745
Poker Machines at cost	1,218,770	1,143,233	(600,030)	1,761,973
Plant & Equipment at cost	2,076,088	486,064	(287,613)	2,274,539
Furniture & Office Equipment at cost	181,751	462,726	(49,310)	595,168
Cabins at Cost	803,589	566,201	(43,535)	1,326,255
	21,626,404	8,016,067	(1,400,878)	28,241,593
		2023		2022
		\$		\$

NOTE 19: INTANGIBLE ASSETS

Poker Machines entitlements	2,716,504	2,462,211
	2,716,504	2,462,211

MOVEMENTS IN CARRYING AMOUNT

	Opening Balance	Additions	Amortisation	Closing Balance
Poker Machines entitlements	2,462,211	254,293	-	2,716,504
	2,462,211	254,293	-	2,716,504
		2023		2022
		\$		\$

NOTE 20: OTHER ASSETS

Prepaid Interest	9,962	23,608
TAB Security	5,000	5,000
Loan to Robinvale Golf Club	24,000	24,000
	38,962	52,608

NOTE 21: TRADE AND OTHER PAYABLES

Trade Creditors	859,836	103,649
Other Creditors	182,768	225,009
Poker Machine Lease	153,709	103,508
Gaming Machine Link Accrual	300,000	300,000
Poker Machine Tax Payable	234,456	531,962
GST	55,271	93,738
PAYG Employees	44,437	41,631
	1,830,477	1,399,498

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**NOTES FOR THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
	\$	\$
NOTE 22: EMPLOYEE BENEFITS		
Current Liabilities		
Provisions for Annual Leave	319,501	274,328
Provisions for Sick Leave	-	133,447
	<u>319,501</u>	<u>407,775</u>
Non Current Liabilities		
Long Service Leave	187,609	175,788
	<u>187,609</u>	<u>175,788</u>
	<u>507,110</u>	<u>583,563</u>
Total Employee Benefits		
	<u>507,110</u>	<u>583,563</u>
NOTE 23: BORROWINGS		
Current Liabilities		
Secured Bank Loans	290,677	-
Secured Motor Vehicle Loans	11,920	-
	<u>302,596</u>	<u>-</u>
Non Current Liabilities		
Secured Bank Loans	934,644	1,748,558
Secured Motor Vehicle Loans	-	32,354
	<u>934,644</u>	<u>1,780,912</u>
	<u>1,237,241</u>	<u>1,780,912</u>
Total Borrowings		
	<u>1,237,241</u>	<u>1,780,912</u>

NOTE 24: GROUP COMPANIES

The consolidated financial statements include the financial statements of Euston Bowling & Recreation Club Limited and the controlled subsidiaries below.

Subsidiary: Mistie Pty Ltd
Country of incorporation: Australia
Principal activity: Hospitality
Percentage owned: 100%

Subsidiary: Simi Pty Ltd
Country of incorporation: Australia
Principal activity: Hospitality
Percentage owned: 100%

EUSTON BOWLING & RECREATION CLUB LIMITED
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**NOTES FOR THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2023	2022
\$	\$

NOTE 25: PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity, being Euston Bowling & Recreation Club Limited.

Summary of Statement Of Profit Or Loss And Other Comprehensive Income

Total Revenue	16,176,718	13,259,474
Total Cost of Sales	(4,445,691)	(3,503,847)
Gross Profit	11,731,028	9,755,627
Total Expenses	<u>(6,411,756)</u>	<u>(5,466,515)</u>
Profit before Tax	<u>5,319,271</u>	<u>4,289,112</u>
Income Tax Expense	<u>(420,594)</u>	<u>(277,046)</u>
Profit after Tax	<u>4,898,678</u>	<u>4,012,066</u>
Other Comprehensive Income	<u>-</u>	<u>-</u>
Total Comprehensive Income	<u>4,898,678</u>	<u>4,012,066</u>

Summary of Statement of Financial Position

Current Assets	6,949,010	5,539,979
Non-Current Assets	<u>28,580,620</u>	<u>25,010,342</u>
Total Assets	<u>35,529,630</u>	<u>30,550,321</u>
Current Liabilities	2,254,587	1,576,837
Non-Current Liabilities	<u>323,597</u>	<u>920,715</u>
Total Liabilities	<u>2,578,184</u>	<u>2,497,552</u>
Net Assets	<u>32,951,446</u>	<u>28,052,769</u>
Members' Funds		
Retained Earnings	<u>32,951,446</u>	<u>28,052,769</u>
Total Equity	<u>32,951,446</u>	<u>28,052,769</u>

Contingent Liabilities and Assets

There are no contingent liabilities or assets at 30 June 2023.

Capital Commitments

There are no capital expenditure commitments contracted for but not capitalised in the financial statements at 30 June 2023.

Financial Support for Controlled Entities

The parent entity, Euston Bowling & Recreation Club Limited, is providing and will continue to provide financial support to all of its controlled entities.

Significant Accounting Policies

The accounting policies of the parent entity are consistent with those of the consolidated entity.

EUSTON BOWLING & RECREATION CLUB LIMITED
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**NOTES FOR THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
	\$	\$

NOTE 26: REMUNERATION OF AUDITORS

The following fees were paid or payable for services provided by the auditors of the group.

Audit of the financial statements:

Andrew Frewin Stewart	32,950	
Southern Cross Advisers		18,490

NOTE 27: FINANCIAL RISK MANAGEMENT

The group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, loans and advances, lease liabilities and borrowings.

The totals of each category of financial instrument, measured in accordance with AASB 9 detailed in the accounting policies of these financial statements are as follows:

	2023	2022
	\$	\$

Financial Assets

Financial Assets at Amortised Cost

Cash and Cash Equivalents	13	6,699,929	6,031,386
Trade and Other Receivables	14	93,151	64,779
Investments	17	1,837	1,852
Total Financial Assets		6,794,917	6,098,017

Financial Liabilities

Financial Liabilities at Amortised Cost

Trade and Other Payables	21	1,830,477	1,399,498
Borrowings	23	1,237,241	1,780,912
Total Financial Liabilities		3,067,718	3,180,410

**NOTES FOR THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
	\$	\$
NOTE 28: CASH FLOW INFORMATION		
(a) Reconciliation of Cash		
Cash and Cash Equivalents	<u>6,699,929</u>	<u>6,031,386</u>
(b) Reconciliation of Cash Flow from Operating Activities with Operating Profit After Income Tax		
Operating profit(loss) after income tax	4,861,182	4,147,591
Non-cash flows from operating profit:		
Depreciation	1,400,878	1,307,844
(Profit) Loss of sale of assets	-	(169,852)
Unrealised Loss on Investments	15	-
Changes in Assets and Liabilities:		
(Increase)/Decrease in Trade and Other Receivables	(28,372)	(35,323)
(Increase)/Decrease in Prepayments	(66,288)	(2,633,407)
(Increase)/Decrease in Inventories	(30,676)	(14,205)
Increase/(Decrease) in Other Assets	13,646	(2,652,703)
Increase/(Decrease) in Trade and Other Payables	430,979	88,489
(Decrease)/Increase in Current Tax Asset/(Liability)	385,321	-
(Decrease)/Increase in Employee Benefits	(76,452)	(428,286)
	<u>6,890,233</u>	<u>(389,852)</u>

NOTE 29: KEY MANAGEMENT PERSONNEL REMUNERATION

Key management personnel (KMP) are those persons who have authority and responsibility for planning, directing and controlling the activities of the club, directly or indirectly, including any director (whether executive or otherwise) of the club.

The club's KMP include the following:

- Directors
- Chief Executive Officer
- Chief Financial Officer
- Venue Manager

Directors of the club do not receive remuneration. The aggregate compensation paid to other members of key management personnel of the club is shown below.

Such remuneration is based upon the industrial award provisions of the Club Manager (State) Award (NSW) and competing industry levels.

	2023	2022
	\$	\$
Aggregate Compensation	<u>384,097</u>	<u>360,191</u>

**NOTES FOR THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 30: RELATED PARTY TRANSACTIONS

(a) The following persons held office on the board of directors during the financial year:

Mr Henry Stephen Leslie	(President)
Mr Ian Bolt	(Vice President)
Mr Desmond Thompson	
Mr Neil Tolley	
Mr Gray Woodhead	
Mr Leigh Byron	Resigned 20/09/22
Mr Neil Tolley	
Mr Garry Stoll	Resigned 20/09/22
Mr Matthew Leslie	Appointed 20/09/22
Mr Bradley Hocking	Appointed 20/09/22

Directors may from time to time purchase goods or services from the Club in their capacity as members.

Directors may from time to time sell goods or services to the Club on normal commercial terms and conditions no more favourable than those available to other persons.

Subsidiaries

Interests in subsidiaries are set out in Note 24.

Key Management Personnel

Disclosures relating to key management personnel are set out in Note 29.

Transactions with Related Parties

Mr. Neil Tolley, who is a director of the group, was appointed in the prior year as the building contractor for the Motel renovation. Amounts invoiced to the group during the year ended 30 June 2023 were approximately \$3 million (ex-GST). Gray Woodhead is the earth moving contractor on the project. Amounts invoiced to the group during the year ended 30 June 2023 were approximately \$1,749 (ex-GST).

Both parties were appointed on normal commercial terms and conditions no more favourable than those available to other persons.

Receivables From and Payable to Related Parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from Related Parties

With the exception of loans between the parent entity and subsidiaries which have been eliminated upon consolidation, there were no loans to or from related parties at the current and previous reporting date.

NOTE 31: CAPITAL COMMITMENTS

The club had no commitments for capital expenditure that were contracted for but not yet capitalised in the financial statements at 30 June 2023 and 30 June 2022.

NOTE 32: CONTINGENT ASSETS AND LIABILITIES

The club had no contingent assets or liabilities at 30 June 2023 and 30 June 2022.

NOTE 33: EVENTS AFTER THE REPORTING DATE

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the club's operations, the results of those operations, or the club's state of affairs in future financial years.

NOTE 34: ECONOMIC DEPENDENCE

The continuing provision of gaming machine gambling to members and visitors is dependent upon the continued legislation of gaming machines by the State Government of New South Wales.

EUSTON BOWLING & RECREATION CLUB LIMITED
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NOTES FOR THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 35: POKER MACHINE ENTITLEMENTS

Poker machine entitlements were introduced on the 2nd of April 2002. The entitlements are not actual poker machines, but is similar to a permit that allows a club to operate a poker machine. Poker machine entitlements can be traded between clubs. A major issue arises as to how to value these entitlements before they are actually sold. The poker machine entitlements are an asset of the club. The club tests such poker machine entitlements for impairment annually. No impairment was recorded for either the year ended 30 June 2023 or 30 June 2022.

NOTE 36: MEMBERS GUARANTEE

The parent entity is incorporated under the *Corporations Act 2001* and is a public company limited by guarantee. If the parent entity is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding's and obligations of the entity. At 30th June 2023 the number of members was 6542. (2022: 6,412)

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Euston Bowling and Recreation Club Limited, the directors declare that:

1. The consolidated financial statements and notes comply with the *Corporations Act 2001*, the Australian Accounting Standards – Simplified Disclosures, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
2. The attached consolidated financial statements and notes give a true and fair view of the consolidated entity's financial position at 30 June 2023 and of its performance for the financial year ended on that date; and
3. There are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5) of the *Corporations Act 2001*.

On behalf of the directors



Henry S Leslie
President

Dated: 7 September 2023



Independent auditor's report to the directors of Euston Bowling & Recreation Club Limited

Report on the audit of the financial statements

Qualification

The consolidated financial statements for the year ended 30 June 2022 of Euston Bowling & Recreation Club Limited (the 'parent entity') and its controlled entities (together referred to as the 'group') was not audited by Andrew Frewin Stewart. It has not been practicable for us to verify or otherwise obtain sufficient information concerning the group's opening balances at 1 July 2022.

Since the opening balances impact directly on the determination of the group's profit for the year ended 30 June 2023, we were unable to ascertain whether adjustments to the profit result might be necessary for the year ended 30 June 2023 as a consequence of any potential misstatement of the opening balances.

We were therefore unable to obtain sufficient appropriate audit evidence regarding the comparative balances disclosed in the financial statements for the year ended 30 June 2022. As a result of this, no opinion on these comparative amounts is expressed.

Our qualified opinion

We have audited the consolidated financial statements of the group, which comprises the:

- consolidated statement of financial position as at 30 June 2023
- consolidated statement of profit or loss and other comprehensive income for the year then ended
- consolidated statement of changes in equity for the year then ended
- consolidated statement of cash flows for the year then ended
- notes comprising a summary of significant accounting policies and other explanatory notes
- directors' declaration of the group.

In our opinion the consolidated financial statements of the group, except for the effects of such adjustments, if any, as might have been determined to be necessary had the limitation discussed in the qualification paragraph not existed, is in accordance with the *Corporations Act 2001* including:

- i. giving a true and fair view of the group's consolidated financial position as at 30 June 2023 and of its performance for the year ended on that date, and
- ii. complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550

afs@afsbendigo.com.au
03 5443 0344

Basis for qualified 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 group 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia.

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

Other information

The directors are responsible for the other information. The other information comprises the information in the group's annual report for the year ended 30 June 2023, but does not include the financial statements and the auditor's report thereon.

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

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

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.

Directors' responsibility for the financial report

The directors of the group are responsible for the preparation of the consolidated financial statements that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are 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 the directors either intend to liquidate the group or cease operations, or have no realistic alternative but to do so.



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550

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03 5443 0344

Auditor's responsibility for the audit of the financial report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group'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 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.
- 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.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart', is positioned above the printed name.

Andrew Frewin Stewart
61 Bull Street, Bendigo, 3550
Date: 7 September 2023

A handwritten signature in black ink, appearing to read 'Lachlan Tatt', is positioned above the printed name.

Lachlan Tatt
Lead Auditor

EUSTON CLUB RESORT COMMUNITY SUPPORT FOR 2022 - 2023

Balranald Racing Club	Robinvale Basketball Association Inc
Balranald Shire Council	Robinvale College
Robinvale Car Club	Robinvale District Health Services
CMCA Ltd	Robinvale Euston Business Association
Dreamtime at the P	Robinvale Euston Football Netball Club
Euston Bowls Club	Robinvale Euston Memorial Park Inc
Euston Preschool	Robinvale Lawn Tennis Club Inc
Euston Public School	Robinvale Network House Inc
Mallee Almond Blossom Festival	Robinvale Ski Race Committee
Manangatang & District Bowling Club	Robinvale Storm Football Club
Manatunga Basketball Team	Rotary Club of Robinvale Euston
Mildura Harness Racing Club	SES Robinvale
Murray Valley Aboriginal Co-operation	Ski Racing Victoria
National Sports Academy	Sunraysia & District Victorian Veteran Golfers Association
Northern Mallee Leaders Inc	The Great Murray River Salami Festival
Riverina Murray CMAA	Western Landcare NSW Inc
Robinvale & District Harness Racing Club Inc	

Euston Bowling & Recreation Club Limited

Trading Hours

Sunday to Thursday: 10.30am to 11.00pm

Friday & Saturday: 10.30am to 12.00am

Station46 Bistro

Lunch: Monday to Sunday Noon to 2.00pm

Dinner: Monday to Sunday 6.00pm to 8.30pm

Station46 Café and Bar OPEN ALL DAY!

Email: reception@eustonclub.com.au

Euston Club Motel & Euston Cabin Resort

Reception Hours

Monday to Sunday: 8.00am to Close

Email: accommodation@eustonclub.com.au

Nixon Street, (P.O. Box 36) EUSTON, NSW 2737

Phone: (03) 5026 4244

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