



SUSSEX INLET

RSL CLUB

Sussex Inlet RSL Club Ltd

ABN 38 001 026 535

Annual Report - 30 June 2023

Sussex Inlet RSL Club Ltd

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General information

The financial statements cover Sussex Inlet RSL Club Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Sussex Inlet RSL Club Ltd's functional and presentation currency.

Sussex Inlet RSL Club Ltd is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

C/- Morton & Cord
70 North Street
NOWRA NSW 2541

Principal place of business

200 Jacobs Drive
SUSSEX INLET 2540

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 9 August 2023. The directors have the power to amend and reissue the financial statements.

Sussex Inlet RSL Club Ltd

Directors' report

30 June 2023

The directors present their report, together with the financial statements, on the Club for the year ended 30 June 2023.

Directors

The following persons were directors of the Club during the whole of the financial year and up to the date of this report, unless otherwise stated:

David Woodbridge
Richard Blagrove
Michael McCall
Ronald McLean
Ronald Clarke-Bruce
Stephen Robb
Ian Lucas
Terence Valentine
Tracey Rizzi

Objectives

Short term objectives

- Increasing the level of membership and visitation of the Club
- Maintaining its overall viability in terms of liquidity, credit control, legislative and regulatory compliance
- Debt management and financial controls
- Sound cash management

Long term objectives

- Asset replacement and capital investment
- Increased member services through diversification of facilities and services

Strategy for achieving the objectives

The Club continues to develop policies and procedures listed below to ensure the finances are managed appropriately and in consideration to the current economic climate.

- Development of a comprehensive master budget with cash-flow forecasts adopted by the board annually and adjusted as necessary.
- Forecasting planned capital works programs.
- Renewal program for Clubhouse assets
- Risk management processes to identify cash-flow effects from the current high inflationary economic environment
- Investment plan implementation of excess cash into term deposits at market-competitive rates
- Development and implementation of a conservative cash management policy.

Principal activities

During the financial year the principal continuing activities of the company consisted of:

- Trading as a Licensed Club

Operating Result

The table below shows a reconciliation of Sussex Inlet RSL Club Ltd earnings before interest, income tax, depreciation, amortisation, gains and impairment losses. This is referred to as EBITDA.

Sussex Inlet RSL Club Ltd
Directors' report
30 June 2023

	2023 \$	2022 \$	Change \$	Change %
Net profit attributable to members	760,441	2,433,281	(1,672,840)	(69%)
Add back:				
Interest expenses	14,072	2,736	11,336	414%
Depreciation expense	607,159	508,344	98,815	19%
Net (gains)/losses on disposal of property, plant and equipment & fair value adjustments	-	(2,197,230)	2,197,230	(100%)
Tax expense/(benefit)	109,062	(15,718)	124,780	(794%)
EBITDA	1,490,734	731,413	759,321	

After adjusting for abnormal (non-trading) items in the 2022 financial year, the Club achieved its best trading result on record in the 2023 financial year. Through this result, the Club has been able to invest in \$1,650,000 in term deposits while also renewing Clubhouse assets .

Through its budgeting process, the board and management have achieved a result within 10% of its forecasted profit.

The Board have resolved to pay a modest bonus to each staff member in recognition of their contribution to the financial results achieved by the Club. The board thanks them for their individual and team efforts.

Future developments

During the next 12 to 24 months, the Director's foreshadow significant capital investment. At the time of this report, these capital upgrades have yet to be formally committed to. These capital upgrades include:

- Roof restoration or replacement
- Air conditioning upgrade
- Sussex Shores upgrades

Information on directors

Name: David Woodbridge
Title: Director
Experience and expertise: Board member since 2007
Special responsibilities: President

Name: Richard Blagrove
Title: Director
Experience and expertise: Board member since 2020
Special responsibilities: Senior Vice President

Name: Michael McCall
Title: Director
Experience and expertise: Board member since 2017
Special responsibilities: Junior Vice President

Name: Ronald Clarke-Bruce
Title: Director
Experience and expertise: Board member since 2019

Sussex Inlet RSL Club Ltd
Directors' report
30 June 2023

Name: Stephen Robb
 Title: Director
 Experience and expertise: Board member since 2017

Name: Ronald McLean
 Title: Director
 Experience and expertise: Board member since 2019

Name: Ian Lucas
 Title: Director
 Experience and expertise: Board member since 2021

Name: Terence Valentine
 Title: Director
 Experience and expertise: Board member since 2021

Name: Tracey Rizzi
 Title: Director
 Experience and expertise: Board member since 2021

Meetings of directors

The number of meetings of the Club's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Full Board		Special Board Meeting	
	Attended	Held	Attended	Held
David Woodbridge	12	12	5	5
Richard Blagrove	11	12	2	5
Michael McCall	11	12	5	5
Ronald McLean	10	12	-	5
Ronald Clarke-Bruce	10	12	2	5
Stephen Robb	11	12	2	5
Ian Lucas	11	12	1	5
Terence Valentine	12	12	1	5
Tracey Rizzi	9	12	2	5

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

State of affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Club that occurred during the financial year under review.

Contributions on winding up

In the event of the company being wound up, ordinary members are required to contribute a maximum of \$2 each. Honorary members are not required to contribute.

The total liability to contribute in the event of winding up is \$8,736 (2022: \$8,552), based on 4,368 (2022: 4276 members) current ordinary members.

Sussex Inlet RSL Club Ltd
Directors' report
30 June 2023

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



David Woodbridge
President



Richard Blagrove
Senior Vice President

9 August 2023

Auditor's Independence Declaration to the Directors of Sussex Inlet RSL Club Ltd

As lead auditor for the audit of the financial report of Sussex Inlet RSL Club Ltd for the financial year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of 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.

Morton & Cord

Morton & Cord



Michael Lees
Partner
Nowra
9 August 2023

Sussex Inlet RSL Club Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue	3	6,683,196	4,747,477
Other income	4	162,166	191,873
Interest revenue		35,681	249
Expenses			
Cost of sales		(806,966)	(588,515)
Depreciation and amortisation expense		(607,159)	(508,344)
Employee benefits expense		(1,980,139)	(1,647,063)
Finance costs		(14,072)	(2,736)
Other operating expenses	5	<u>(2,603,204)</u>	<u>(1,975,683)</u>
Surplus before income tax (expense)/benefit		869,503	217,258
Income tax (expense)/benefit	6	<u>(109,062)</u>	<u>15,718</u>
Surplus after income tax (expense)/benefit for the year attributable to the members of Sussex Inlet RSL Club Ltd	22	760,441	232,976
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of land and buildings		-	<u>2,200,304</u>
Other comprehensive income for the year, net of tax		-	<u>2,200,304</u>
Total comprehensive income for the year attributable to the members of Sussex Inlet RSL Club Ltd		<u>760,441</u>	<u>2,433,280</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Sussex Inlet RSL Club Ltd
Statement of financial position
As at 30 June 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	7	659,013	1,537,935
Trade and other receivables	8	17,915	17,335
Inventories	9	56,144	61,003
Financial assets	11	1,650,000	-
Other	12	195,635	159,057
Total current assets		<u>2,578,707</u>	<u>1,775,330</u>
Non-current assets			
Investment properties	13	1,804,146	1,804,146
Property, plant and equipment	14	10,932,084	10,698,627
Right-of-use assets	10	82,233	-
Intangibles	15	1,290	-
Deferred tax	6	-	548
Other	12	5,000	-
Total non-current assets		<u>12,824,753</u>	<u>12,503,321</u>
Total assets		<u>15,403,460</u>	<u>14,278,651</u>
Liabilities			
Current liabilities			
Trade and other payables	16	338,054	198,831
Borrowings	17	34,276	18,750
Lease liabilities	18	38,745	-
Provisions	19	229,306	210,157
Other	20	69,187	62,900
Total current liabilities		<u>709,568</u>	<u>490,638</u>
Non-current liabilities			
Borrowings	17	246,976	281,250
Lease liabilities	18	51,489	-
Deferred tax	6	108,514	-
Provisions	19	36,959	24,791
Other	20	16,234	8,693
Total non-current liabilities		<u>460,172</u>	<u>314,734</u>
Total liabilities		<u>1,169,740</u>	<u>805,372</u>
Net assets		<u>14,233,720</u>	<u>13,473,279</u>
Equity			
Reserves	21	5,196,375	5,196,375
Retained surpluses	22	9,037,345	8,276,904
Total equity		<u>14,233,720</u>	<u>13,473,279</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Sussex Inlet RSL Club Ltd
Statement of changes in equity
For the year ended 30 June 2023

	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2021	2,996,071	8,043,928	11,039,999
Surplus after income tax benefit for the year	-	232,976	232,976
Other comprehensive income for the year, net of tax	<u>2,200,304</u>	<u>-</u>	<u>2,200,304</u>
Total comprehensive income for the year	<u>2,200,304</u>	<u>232,976</u>	<u>2,433,280</u>
Balance at 30 June 2022	<u>5,196,375</u>	<u>8,276,904</u>	<u>13,473,279</u>
	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2022	5,196,375	8,276,904	13,473,279
Surplus after income tax expense for the year	-	760,441	760,441
Other comprehensive income for the year, net of tax	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>-</u>	<u>760,441</u>	<u>760,441</u>
Balance at 30 June 2023	<u>5,196,375</u>	<u>9,037,345</u>	<u>14,233,720</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Sussex Inlet RSL Club Ltd
Statement of cash flows
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		6,732,573	5,043,135
Payments to suppliers and employees (inclusive of GST)		<u>(5,840,580)</u>	<u>(5,408,089)</u>
		891,993	(364,954)
Interest received		35,681	249
Other revenue		686,540	816,766
Interest and other finance costs paid		<u>(14,072)</u>	<u>(2,736)</u>
Net cash from operating activities		<u>1,600,142</u>	<u>449,325</u>
Cash flows from investing activities			
Payments for investments		(1,650,000)	-
Payments for property, plant and equipment	14	(886,197)	(559,668)
Payments for intangibles	15	(1,613)	-
Payments for security deposits		(5,000)	-
Proceeds from disposal of property, plant and equipment		<u>110,196</u>	<u>-</u>
Net cash used in investing activities		<u>(2,432,614)</u>	<u>(559,668)</u>
Cash flows from financing activities			
Proceeds/(repayment) of bank loans		1,000	-
Proceeds/(repayment) of leases		(27,702)	-
Repayment of master asset finance facility		-	(79,373)
Proceeds/(repayment) of other loans		<u>(19,748)</u>	<u>-</u>
Net cash used in financing activities		<u>(46,450)</u>	<u>(79,373)</u>
Net decrease in cash and cash equivalents		(878,922)	(189,716)
Cash and cash equivalents at the beginning of the financial year		<u>1,537,935</u>	<u>1,727,651</u>
Cash and cash equivalents at the end of the financial year	7	<u>659,013</u>	<u>1,537,935</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. 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.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The company has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments.

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') and the Corporations Act 2001 for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

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 2.

Revenue recognition

The company recognises revenue as follows:

Sale of goods

Revenue from the sale of goods comprises of revenue earned from the provision of food, beverage and other goods and is recognised at a point in time when the performance obligation is satisfied that is on delivery of goods to the customer.

Rendering of services

Revenue from rendering services comprises revenue from gaming facilities together with other services to members and other patrons of the club and is recognised at a point in time when the services are provided.

Note 1. Significant accounting policies (continued)

Membership

Income received in advance from membership represents the company's obligation to transfer membership services to members and is recognised when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the services to the member

Customer loyalty program

During the year, the company operates a loyalty reward program where customers accumulated points for dollars spent. The reward points are recognised as a separately identifiable component of the initial sale transaction, by allocating the fair value of the consideration received between the reward points and the other components of the sale, such that the reward points are recognised at their fair value. Revenue from the reward points is recognised when the points are redeemed. The amount of revenue is based on the number of points redeemed relative to the total number expected to be redeemed. This program was terminated on 1 July 2023.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rent

Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and the adjustment recognised for prior periods, where applicable.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle the claim simultaneously.

Mutuality Principle

The company calculates its income in accordance with the mutuality principle which excludes from income, any amounts of subscriptions and contributions from members, and payments received from members for particular services provided by the Club or association, e.g. poker machines, bar and food service in the case of social Clubs. The Commissioner of Taxation accepts this method of calculating income as appropriate for recognised Clubs and associations.

Note 1. Significant accounting policies (continued)

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

Current and non-current classification

Assets and liabilities are presented in the 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 company'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 company'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.

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.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Investment properties

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the company. Investment properties are initially recognised at cost, including transaction costs, and are subsequently reassessed annually at fair value. Movements in fair value are recognised directly to profit or loss.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Note 1. Significant accounting policies (continued)

Transfers to and from investment properties to property, plant and equipment are determined by a change in use of owner-occupation. The fair value on the date of change of use from investment properties to property, plant and equipment are used as deemed cost for the subsequent accounting. The existing carrying amount of property, plant and equipment is used for the subsequent accounting cost of investment properties on the date of change of use.

Property, plant and equipment

Land and buildings are shown at fair value, based on periodic valuations at least every 5 years by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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:

Buildings	40 years
Poker machines	7-12 years
Plant and equipment	3-20 years
Motor vehicles	8-12 years
Leasehold improvements	40 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

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.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Note 1. Significant accounting policies (continued)

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Borrowing costs

Costs in relation to borrowings are capitalised as an asset and amortised on a straight-line basis over the period of the finance arrangement.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company 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.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Note 1. Significant accounting policies (continued)

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

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.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

Revenues, expenses and assets 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 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.

Note 1. Significant accounting policies (continued)

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

Note 2. 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 company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Poker machine entitlements

Poker 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, poker machine entitlements are tested for impairment annually and are carried at cost less accumulated impairment losses. Poker machine entitlements are not considered to have an active market, hence the fair value is calculated using the value in use method based on management's forecasts.

Note 3. Revenue

	2023	2022
	\$	\$
<i>Revenue from contracts with customers</i>		
Poker machine revenue	3,726,778	2,656,900
Bar revenue	2,103,917	1,468,759
Entertainment & promotion revenue	7,705	1,394
Bingo & raffles	250,407	186,862
Members subscriptions	41,102	32,262
	<u>6,129,909</u>	<u>4,346,177</u>
<i>Other revenue</i>		
Commission	200,421	155,774
Accommodation receipts - Sussex Shores	228,896	173,342
Other revenue	123,970	72,184
	<u>553,287</u>	<u>401,300</u>
Revenue	<u>6,683,196</u>	<u>4,747,477</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	2023	2022
	\$	\$
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	6,088,807	4,313,915
Services transferred over time	41,102	32,262
	<u>6,129,909</u>	<u>4,346,177</u>

Sussex Inlet RSL Club Ltd
Notes to the financial statements
30 June 2023

Note 4. Other income

	2023	2022
	\$	\$
Net gain on disposal of property, plant and equipment	28,913	(3,074)
NSW Government community grants	79,480	-
JobSaver/JobKeeper subsidies	-	156,714
Rental income	<u>53,773</u>	<u>38,233</u>
Other income	<u>162,166</u>	<u>191,873</u>

Note 5. Other operating expenses

	2023	2022
	\$	\$
Administration	224,811	198,089
Advertising & promotional	538,526	401,089
Bar indirect expenses	65,208	58,499
Bowling greens	69,990	62,131
Donations & ClubGrants	59,140	38,179
Insurance expenses	166,759	135,835
Light and power	153,379	138,393
Maintenance and property expenses	233,722	191,180
Members expenses	278,011	203,176
Poker machine tax	638,819	422,548
Poker machine indirect expenses	119,797	97,277
Sussex Shores expenses	<u>55,042</u>	<u>29,287</u>
	<u>2,603,204</u>	<u>1,975,683</u>

Sussex Inlet RSL Club Ltd
Notes to the financial statements
30 June 2023

Note 6. Income tax

	2023	2022
	\$	\$
<i>Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate</i>		
Surplus before income tax (expense)/benefit	869,503	217,258
Tax at the statutory tax rate of 25%	217,376	54,315
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Other non-deductible differences	67,197	95,464
Net income from members not subject to tax	(175,511)	(165,345)
	109,062	(15,566)
Adjustment to deferred tax balances as a result of change in statutory tax rate	-	(152)
Income tax expense/(benefit)	109,062	(15,718)
	2023	2022
	\$	\$

Deferred tax asset

Deferred tax asset comprises temporary differences attributable to:

Amounts recognised in profit or loss:

Tax losses	-	81,425
Employee benefits	-	10,261
Accrued expenses	-	4,283
Property, plant and equipment	-	(88,518)
Prepayments	-	(6,903)
Deferred tax asset	-	548
Movements:		
Opening balance	548	-
Credited/(charged) to profit or loss	(548)	548
Closing balance	-	548

Sussex Inlet RSL Club Ltd
Notes to the financial statements
30 June 2023

Note 6. Income tax (continued)

	2023	2022
	\$	\$
<i>Deferred tax liability</i>		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Property, plant and equipment	160,304	-
Prepayments	10,658	-
Provisions	(17,008)	-
Accruals	(10,880)	-
Tax losses	(34,560)	-
	<u>108,514</u>	<u>-</u>
Deferred tax liability		
Movements:		
Opening balance	-	15,170
Charged/(credited) to profit or loss	<u>108,514</u>	<u>(15,170)</u>
Closing balance	<u>108,514</u>	<u>-</u>

Note 7. Cash and cash equivalents

	2023	2022
	\$	\$
<i>Current assets</i>		
Cash on hand	254,000	250,000
Cash at bank	<u>405,013</u>	<u>1,287,935</u>
	<u>659,013</u>	<u>1,537,935</u>

Note 8. Trade and other receivables

	2023	2022
	\$	\$
<i>Current assets</i>		
Trade receivables	6,707	17,335
Other receivables	<u>11,208</u>	<u>-</u>
	<u>17,915</u>	<u>17,335</u>

Sussex Inlet RSL Club Ltd
Notes to the financial statements
30 June 2023

Note 9. Inventories

	2023	2022
	\$	\$
<i>Current assets</i>		
Stock on hand - at cost	56,144	61,003

Note 10. Right-of-use assets

	2023	2022
	\$	\$
<i>Non-current assets</i>		
Poker machines - right-of-use	117,936	-
Less: Accumulated depreciation	(35,703)	-
	<u>82,233</u>	<u>-</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Poker machines	Total
	\$	\$
Balance at 1 July 2022	-	-
Additions	117,936	117,936
Depreciation expense	(35,703)	(35,703)
Balance at 30 June 2023	<u>82,233</u>	<u>82,233</u>

Note 11. Financial assets

	2023	2022
	\$	\$
<i>Current assets</i>		
Term deposits	<u>1,650,000</u>	<u>-</u>

Sussex Inlet RSL Club Ltd
Notes to the financial statements
30 June 2023

Note 12. Other

	2023	2022
	\$	\$
<i>Current assets</i>		
Accrued revenue	27,777	-
Prepayments	166,858	158,057
Other current assets	<u>1,000</u>	<u>1,000</u>
	<u>195,635</u>	<u>159,057</u>
<i>Non-current assets</i>		
TAB Security deposit	<u>5,000</u>	<u>-</u>
	<u>200,635</u>	<u>159,057</u>

Note 13. Investment properties

	2023	2022
	\$	\$
<i>Non-current assets</i>		
Investment property - at independent valuation	<u>1,804,146</u>	<u>1,804,146</u>
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening fair value	1,804,146	1,770,000
Capital additions	<u>-</u>	<u>34,146</u>
Closing fair value	<u>1,804,146</u>	<u>1,804,146</u>

Valuations of investment properties

A valuation of the investment property was carried out by Walsh & Monaghan and adopted by the board in 2021. The board have considered the carrying fair value to be appropriate at 30 June 2023

Sussex Inlet RSL Club Ltd
Notes to the financial statements
30 June 2023

Note 14. Property, plant and equipment

	2023	2022
	\$	\$
<i>Non-current assets</i>		
Land and buildings - at independent valuation	8,662,155	8,648,052
Less: Accumulated depreciation	<u>(166,032)</u>	<u>(6)</u>
	<u>8,496,123</u>	<u>8,648,046</u>
Leasehold improvements - at cost	97,529	-
Less: Accumulated depreciation	<u>(1,209)</u>	<u>-</u>
	<u>96,320</u>	<u>-</u>
Plant and equipment - at cost	3,198,951	2,950,303
Less: Accumulated depreciation	<u>(2,061,455)</u>	<u>(2,017,593)</u>
	<u>1,137,496</u>	<u>932,710</u>
Motor vehicles - at cost	104,285	104,285
Less: Accumulated depreciation	<u>(65,354)</u>	<u>(56,405)</u>
	<u>38,931</u>	<u>47,880</u>
Poker machines	2,698,480	2,695,034
Less: Accumulated depreciation	<u>(1,535,266)</u>	<u>(1,641,501)</u>
	<u>1,163,214</u>	<u>1,053,533</u>
Capital works in progress	<u>-</u>	<u>16,458</u>
	<u>10,932,084</u>	<u>10,698,627</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land & buildings \$	Plant & equipment \$	Motor vehicles \$	Poker machines \$	Capital works in progress \$	leasehold improvements \$	Total \$
Balance at 1 July 2022	8,648,046	932,710	47,881	1,053,532	16,458	-	10,698,627
Additions	13,898	311,078	-	480,150	-	81,071	886,197
Disposals	-	-	-	(81,283)	-	-	(81,283)
Transfers in/(out)	-	-	-	-	(16,458)	16,458	-
Depreciation expense	<u>(165,821)</u>	<u>(106,292)</u>	<u>(8,950)</u>	<u>(289,185)</u>	<u>-</u>	<u>(1,209)</u>	<u>(571,457)</u>
Balance at 30 June 2023	<u>8,496,123</u>	<u>1,137,496</u>	<u>38,931</u>	<u>1,163,214</u>	<u>-</u>	<u>96,320</u>	<u>10,932,084</u>

Core Properties

- Sussex Inlet RSL Club premises, 200 Jacobs Drive, Sussex Inlet

Non-core Properties

- 'Sussex Shores' 209 Jacobs Drive, Sussex Inlet

Sussex Inlet RSL Club Ltd
Notes to the financial statements
30 June 2023

Note 14. Property, plant and equipment (continued)

Valuations of land and buildings

An independent valuation by Walsh & Monaghan Pty Ltd of the company's land and buildings being 200 Jacobs Drive, was carried out on 10 May 2022 on the basis of fair value in use resulted in a valuation of \$8,645,000

Note 15. Intangibles

	2023	2022
	\$	\$
<i>Non-current assets</i>		
Borrowing costs	1,290	-

Note 16. Trade and other payables

	2023	2022
	\$	\$
<i>Current liabilities</i>		
Trade payables	201,190	73,127
Other payables	136,864	125,704
	<u>338,054</u>	<u>198,831</u>

Note 17. Borrowings

	2023	2022
	\$	\$
<i>Current liabilities</i>		
NSW Rural Assistance Authority	34,276	18,750
<i>Non-current liabilities</i>		
Bank loans	1,000	-
NSW Rural Assistance Authority	245,976	281,250
	<u>246,976</u>	<u>281,250</u>
	<u>281,252</u>	<u>300,000</u>

Security

In respect of bank loans, the Commonwealth Bank of Australia holds the following security.

General Security Interest by Sussex Inlet RSL Club Ltd comprising: First ranking charge over All Present & After Acquired Property

Second Registered Mortgage by Sussex Inlet RSL Club Ltd over Non Residential Real Property located at Jacobs Drive Sussex Inlet NSW 2540.

Sussex Inlet RSL Club Ltd
Notes to the financial statements
30 June 2023

Note 17. Borrowings (continued)

NSW Rural Assistance Authority - Special Disaster Relief (Bushfire recovery)

The total term of the loan is 10 Years. The Loan is repayable by way of 96 monthly instalments, beginning 31 December 2022. Interest will be charged at a rate of 50% of the 10 year government bond rate, per annum and is subject to change each financial year.

In regards to the Special Disaster Relief (Bushfire Recovery) loan, NSW Rural Assistance Authority holds a Registered First Mortgage over the land and buildings of the Club.

Deed of priority

The Commonwealth Bank of Australia Ltd has signed a Deed of Priority with the NSW Rural Assistance Authority in relation to the security interests listed above.

Financing arrangements

Potential access was available at the reporting date to the following lines of credit:

	2023	2022
	\$	\$
Total facilities		
Bank overdraft	-	200,000
St George Bank - Bank loans	-	600,000
Master asset finance facility	-	250,000
NSW Rural Assistance Authority	280,252	300,000
CBA BetterBusiness Loan	790,000	-
CBA - Corporate Charge Card	10,000	-
	<u>1,080,252</u>	<u>1,350,000</u>
Used at the reporting date		
Bank overdraft	-	-
St George Bank - Bank loans	-	-
Master asset finance facility	-	-
NSW Rural Assistance Authority	280,252	300,000
CBA BetterBusiness Loan	1,000	-
CBA - Corporate Charge Card	-	-
	<u>281,252</u>	<u>300,000</u>
Unused at the reporting date		
Bank overdraft	-	200,000
St George Bank - Bank loans	-	600,000
Master asset finance facility	-	250,000
NSW Rural Assistance Authority	-	-
CBA BetterBusiness Loan	789,000	-
CBA - Corporate Charge Card	10,000	-
	<u>799,000</u>	<u>1,050,000</u>

Note 18. Lease liabilities

The company leases poker machines under agreements of 3 years. The Club's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Club is restricted from assigning and subleasing the leased asset. The title of the leased assets transfers to the company at the expiration of the lease.

Sussex Inlet RSL Club Ltd
Notes to the financial statements
30 June 2023

Note 18. Lease liabilities (continued)

The company leases office equipment under agreements of less than 5 years. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets and leases liabilities

	2023	2022
	\$	\$
<i>Current liabilities</i>		
Lease liability	38,745	-
<i>Non-current liabilities</i>		
Lease liability	51,489	-
	<u>90,234</u>	<u>-</u>
<i>Future cash outflow/lease payments - maturity analysis</i>		
Future lease payments are due as follows:		
Within one year	42,696	-
One to five years	53,370	-
	<u>96,066</u>	<u>-</u>

The amount of expense relating to short-term leases and leases of low-value assets recognised in profit or loss during the year ended 30 June 2023 was \$6,372 (2022: \$6,372).

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Club is a lessee are shown below:

Statement of profit or loss and other comprehensive income	2023	2022
	\$	\$
Interest expense on lease liabilities	4,320	-
Depreciation expense on right-of-use assets	35,703	-
	<u>40,023</u>	<u>-</u>

Sussex Inlet RSL Club Ltd
Notes to the financial statements
30 June 2023

Note 19. Provisions

	2023	2022
	\$	\$
<i>Current liabilities</i>		
Annual leave	127,620	121,241
Long service leave	<u>101,686</u>	<u>88,916</u>
	<u>229,306</u>	<u>210,157</u>
<i>Non-current liabilities</i>		
Long service leave	<u>36,959</u>	<u>24,791</u>
	<u>266,265</u>	<u>234,948</u>

Note 20. Other

	2023	2022
	\$	\$
<i>Current liabilities</i>		
Accrued expenses	41,463	18,202
Membership revenue received in advance	23,086	28,838
Subsidies and grants received in advance	<u>4,638</u>	<u>15,860</u>
	<u>69,187</u>	<u>62,900</u>
<i>Non-current liabilities</i>		
Membership revenue received in advance	<u>16,234</u>	<u>8,693</u>
	<u>85,421</u>	<u>71,593</u>

Note 21. Reserves

	2023	2022
	\$	\$
Revaluation surplus reserve	<u>5,196,375</u>	<u>5,196,375</u>

Revaluation surplus reserve

The reserve is used to recognise increments and decrements in the fair value of land and buildings, excluding investment properties.

Sussex Inlet RSL Club Ltd
Notes to the financial statements
30 June 2023

Note 21. Reserves (continued)

Movements in reserves

Movements in each class of reserve during the current financial year are set out below:

	Revaluation surplus reserve \$	Total \$
Balance at 1 July 2022	<u>5,196,375</u>	<u>5,196,375</u>
Balance at 30 June 2023	<u>5,196,375</u>	<u>5,196,375</u>

Note 22. Retained surpluses

	2023 \$	2022 \$
Retained surpluses at the beginning of the financial year	8,276,904	8,043,928
Surplus after income tax (expense)/benefit for the year	<u>760,441</u>	<u>232,976</u>
Retained surpluses at the end of the financial year	<u>9,037,345</u>	<u>8,276,904</u>

Note 23. Key management personnel disclosures

Name	Position
David Woodbridge	President
Richard Blagrove	Snr Vice President
Michael McCall	Jnr Vice President
Ronald McLean	Director
Ronald Clarke-Bruce	Director
Stephen Robb	Director
Ian Lucas	Director
Terence Valentine	Director
Tracey Rizzi	Director
Matthew Murray	General Manager/Company Secretary

Compensation

The aggregate compensation made to key management personnel of the company is set out below:

	2023 \$	2022 \$
Aggregate compensation	<u>135,179</u>	<u>134,132</u>

Sussex Inlet RSL Club Ltd
Notes to the financial statements
30 June 2023

Note 24. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Morton & Cord, the auditor of the Club:

	2023	2022
	\$	\$
<i>Audit services -</i>		
Audit of the financial statements	18,156	17,600
<i>Other services -</i>		
Preparation of the tax return	2,520	1,950
Business advisory services	13,438	21,895
	<u>15,958</u>	<u>23,845</u>
	<u>34,114</u>	<u>41,445</u>

Note 25. Commitments

	2023	2022
	\$	\$
<i>Capital commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Wharf redevelopment	-	83,410
Fire suppression system	-	42,735
Purchase of gaming machines	400,000	400,000
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	400,000	526,145
Total commitment	400,000	526,145
Less: Recreational Fishing Trust grant - wharf redevelopment	-	(63,811)
Net commitment recognised as liabilities	<u>400,000</u>	<u>462,334</u>

The company has committed to purchase new gaming machines to a total value of \$400,000. These machines are expected to be installed in October 2023, and it's anticipated that this will not need to be paid until January 2024.

Note 26. Related party transactions

Parent entity

Sussex Inlet RSL Club Ltd is the parent entity.

Key management personnel

Disclosures relating to key management personnel are set out in note 23.

Transactions with related parties

There were no transactions with related parties during the current financial year.

Note 26. Related party transactions (continued)

Receivable 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

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

Note 27. Events after the reporting period

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

Sussex Inlet RSL Club Ltd
Directors' declaration
30 June 2023

In the directors' opinion:

- the attached 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;
- the attached financial statements and notes give a true and fair view of the Club's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Club 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)(a) of the Corporations Act 2001.

On behalf of the directors



David Woodbridge
President



Richard Blagrove
Senior Vice President

9 August 2023

Independent Auditor's Report to the Members of Sussex Inlet RSL Club Ltd

Opinion

We have audited the financial report of Sussex Inlet RSL Club Ltd (the company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- a. giving a true and fair view of the company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- b. complying with Australian Accounting Standards – Simplified Disclosures 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Sussex Inlet RSL Club Ltd, 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 30 June 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 – 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 report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor’s report.

Morton & Cord

Morton & Cord



Michael Lees

Partner

Nowra

9 August 2023