

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

ABN 38 001 059 383

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 30 June 2023.

Directors

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

Patricia Lucas	Robert James Kaehler
Chris Chrisostomos	David Bradford
Ron Bossink (resigned 28/7/2023)	Paul Munten (appointed 19/8/2022)
Shonnea Nicol (appointed 19/8/2022)	

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

Principal Activities

The principal activities of the Company are that of a Services Club.

The short term strategy for the company is to further consolidate our financial position and market share, whilst maintaining first class facilities and customer service that meets the needs of our current membership and community. The Board and Management are committed to provide a safe, secure and rewarding workplace for our employees. The Board is also committed to maintaining the highest standards with regards to financial reporting and corporate governance.

The long term strategic objectives of the company are to conduct the business affairs in a sound, ethical and responsible manner ensuring that we remain relevant to our membership and the community.

The primary strategies to achieve our objectives are through further development of our Strategic plan, execution of that plan through sound financial management and corporate governance. The Club will continue to be managed in a manner that is proactive to the conditions that it operates in to ensure that our goals and objectives are achieved for the betterment of our membership and community.

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

ABN 38 001 059 383

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FOR THE YEAR ENDED 30 JUNE 2023

INFORMATION ON DIRECTORS

NAME	OCCUPATION	QUALIFICATIONS AND EXPERIENCE	SPECIAL RESPONSIBILITY
Patricia LUCAS	RETIRED TEACHER/CONSULTANT	MEMBER OF BOARD APPOINTED 23/03/2018 MEMBER DIRECTORS' INSTITUTE OF NSW	PRESIDENT
David BRADFORD	PROFESSIONAL COMPANY DIRECTOR	MEMBER OF BOARD APPOINTED 01/12/2020 MEMBER DIRECTORS' INSTITUTE OF NSW	VICE PRESIDENT
Robert James KAEHLER	SELF EMPLOYED	MEMBER OF BOARD SINCE 30/10/06 MEMBER DIRECTORS' INSTITUTE OF NSW	DIRECTOR
Chris CHRISOSTOMOS	RETIRED REAL ESTATE AGENT	MEMBER OF BOARD APPOINTED 27/10/08 MEMBER DIRECTORS' INSTITUTE OF NSW	DIRECTOR
Ron BOSSINK	RETIRED	MEMBER OF BOARD APPOINTED 26/02/16 RESIGNED 28/07/23 MEMBER DIRECTORS' INSTITUTE OF NSW	DIRECTOR
Shonnea NICOL	CHIEF FINANCIAL OFFICER	MEMBER OF BOARD APPOINTED 19/08/22	DIRECTOR
Paul MUNTEN	PROFESSIONAL COMPANY DIRECTOR	MEMBER OF BOARD APPOINTED 19/08/22	DIRECTOR

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FOR THE YEAR ENDED 30 JUNE 2023

Meeting of Directors

During the financial year, 12 ordinary meetings and special meetings of directors were held. Attendances by each director were as follows:

DIRECTORS' MEETINGS

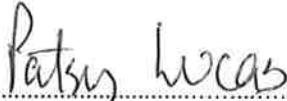
Name	Number Eligible to attend	Number attended
Patricia LUCAS	12	12
Robert James KAEHLER	12	11
Shonnea Nicol	11	10
Chris CHRISOSTOMOS	12	12
Ron BOSSINK (resigned 28/07/23)	12	7
David BRADFORD	12	12
Paul MUNTEN	11	9


The Club is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Club is wound up, the constitution states that each member is required to contribute a maximum of \$1.00 each towards meeting any outstanding obligations of the entity. At 30 June 2023, the total amount that members are liable to contribute if the Club is wound up is \$9,318 (2022: \$8,443).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2023 has been received and can be found on page 5 of the financial report.

Signed at Murwillumbah
this 31st day of October 2023
in accordance with a resolution
of the Board of Directors:


.....
Patricia Lucas
Director


.....
David Bradford
Director

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

ABN 38 001 059 383

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

DIRECTORS' DECLARATION

The directors of the Club declare that:

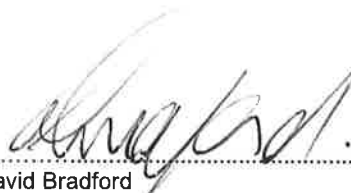
1. The financial statements and notes, as set out on pages 9 to 30, are in accordance with the Corporations' Act 2001 and:
 - (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements applicable to the Club; and
 - (b) give a true and fair view of the financial position of the Club as at 30 June 2023 and of its performance for the year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

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

Dated this 31st day
of October 2023 at
Murwillumbah


.....
Patricia Lucas
Director


.....
David Bradford
Director

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

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FOR THE YEAR ENDED 30 JUNE 2023

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C
OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF
MURWILLUMBAH SERVICES MEMORIAL CLUB LTD**

i declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there have been:

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



Mr Andrew Crawford
Registered Company Auditor

107-111 Main Street
MURWILLUMBAH NSW 2484

1/11/2023

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

ABN 38 001 059 383

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Report on the financial report

Opinion

We have audited the accompanying financial report of Murwillumbah Services Memorial Club Ltd, which comprises the statement of financial position as at 30 June 2023, the statement of profit and loss and other 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 Murwillumbah Services Memorial Club Ltd is in accordance with the Corporations Act 2001, including:

- (i) 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
- (ii) 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 (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 Murwillumbah Services Memorial 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.

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (cont.)

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.

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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (cont.)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Mr Andrew Crawford
Registered Company Auditor

107-111 Main Street
MURWILLUMBAH NSW 2484

1/10/2023

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

ABN 38 001 059 383

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	-----	-----
Sales revenue	2,554,670	1,680,502
Cost of sales	(963,317)	(645,044)
Gross Profit	----- 1,591,353	----- 1,035,458
Poker Machines – Net Revenue	3,745,426	3,027,705
Other income	436,920	471,497
Employee benefits expense	(2,105,617)	(1,610,502)
Depreciation & amortisation expense	(822,078)	(799,911)
Borrowing costs	(16,597)	(961)
Other expenses	(2,428,351)	(1,844,272)
Profit/(loss) before income tax	----- Note 3 401,056	----- 279,014
Income tax expense/(benefit)	Notes 4 & 10 (701)	(46,213)
Profit/(Loss) for the year	----- \$401,757 =====	----- \$325,227 =====
Other Comprehensive Income		
Items that will not be reclassified subsequently to profit or loss:		
Gains/(losses) on revaluation of land and buildings used in operations, net of tax	(1,029,257)	-
Total Other Comprehensive Income for the Year, net of tax	----- (1,029,257)	----- -
Total Comprehensive Income for the Year	----- (627,500) =====	----- 325,227 =====
Profit attributable to members of the company	401,757	325,227
Total comprehensive income attributable to members of the company	(627,500)	325,227

The accompanying notes form part of these financial statements.

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

ABN 38 001 059 383

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

		2022	2022
		-----	-----
CURRENT ASSETS			
Cash and cash equivalents		1,052,867	1,116,110
Trade and other receivables	Note 5	4,371	5,288
Inventories	Note 6	43,304	38,220
Other current assets	Note 7	146,904	88,918
		-----	-----
TOTAL CURRENT ASSETS		1,247,446	1,248,536
		-----	-----
NON-CURRENT ASSETS			
Property, plant and equipment	Note 8	10,528,035	10,953,592
Other non-current assets	Note 9	261,689	228,668
Deferred Tax Assets	Note 10	175,669	174,968
		-----	-----
TOTAL NON-CURRENT ASSETS		10,965,393	11,357,228
		-----	-----
TOTAL ASSETS		12,212,839	12,605,764
		-----	-----
CURRENT LIABILITIES			
Trade and other payables	Note 11	796,474	890,490
Borrowings	Note 12	73,319	59,550
Short-term provisions	Note 13	168,943	209,841
Other current liabilities	Note 14	65,028	52,270
		-----	-----
TOTAL CURRENT LIABILITIES		1,103,764	1,212,151
		-----	-----
NON-CURRENT LIABILITIES			
Borrowings	Note 12	361,417	33,087
Long-term provisions	Note 13	43,863	29,231
		-----	-----
TOTAL NON-CURRENT LIABILITIES		405,280	62,318
		-----	-----
TOTAL LIABILITIES		1,509,044	1,274,469
		-----	-----
NET ASSETS		\$10,703,795	\$11,331,295
		=====	=====
EQUITY			
Retained earnings		6,624,161	6,222,404
Reserves	Note 15	4,079,634	5,108,891
		-----	-----
TOTAL EQUITY		\$10,703,795	\$11,331,295
		=====	=====

The accompanying notes form part of these financial statements.

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

	Retained Earnings	Capital Reserve	Revaluation Surplus	Capital Profit Reserve	Total
Balance at 30 June 2021	\$5,897,177	\$2,452,970	\$2,584,504	\$71,417	\$11,006,068
Comprehensive Income for the year Profit for the year	325,227	-	-	-	325,227
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year attributable to members of the Company	325,227	-	-	-	325,227
Balance at 30 June 2022	\$6,222,404	\$2,452,970	\$2,584,504	\$71,417	\$11,331,295
Comprehensive Income for the year Profit for the year	401,757	-	-	-	401,757
Other comprehensive income for the year	-	-	(1,029,257)	-	(1,029,257)
Total comprehensive income for the year attributable to members of the Company	401,757	-	(1,029,257)	-	(627,500)
Balance at 30 June 2023	\$6,624,161	\$2,452,970	\$1,555,247	\$71,417	\$10,703,795

Asset Revaluation Reserve:

The asset revaluation reserve records revaluations of non-current assets.

The accompanying notes form part of these financial statements.

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	<u>2023</u>	<u>2022</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	6,638,312	4,969,111
Receipts from government subsidies	-	158,644
Payments to suppliers, employees and patrons	(5,647,537)	(3,971,004)
Interest received	15,749	762
Finance costs	(16,597)	(961)
GST Received	615,727	468,969
GST Paid	(615,727)	(468,969)
Net cash generated from operating activities	<u>989,927</u>	<u>1,156,552</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant & equipment	46,739	56,284
Purchase of property, plant and equipment	(1,442,006)	(993,253)
Net cash flow generated from/(used in) investing activities	<u>(1,395,267)</u>	<u>(936,969)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings	(305,952)	(15,051)
Proceeds from borrowings	648,049	57,904
Net cash generated from/(used in) financing activities	<u>342,097</u>	<u>42,853</u>
Net increase (decrease) in cash held	(63,243)	262,436
Cash and cash equivalents at beginning of the financial year	<u>1,116,110</u>	<u>853,674</u>
Cash and cash equivalents at the end of the financial year	<u>\$1,052,867</u>	<u>\$1,116,110</u>

NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of Cash
For the purposes of this statement of cash flows, cash includes:

- (1) Cash on hand, and
- (2) Cash at bank in on call deposits net of bank overdrafts.

Cash at 30 June 2023 is shown in the Statement of Financial Position as:

Cash and cash equivalents	<u>\$1,052,867</u>	<u>\$1,116,110</u>
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The accompanying notes form part of these financial statements.

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

ABN 38 001 059 383

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2023 (CONT'D)

(b) Credit Standby Arrangements

The club has credit standby facilities in place as follows:-

1. A charge card facility of \$20,000.
2. A Better Business Loan with a balance of \$329,140 and an available redraw of \$420,860.

	2023	2022
	-----	-----
(c) Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit after income tax	401,757	325,227
<u>Add/(Deduct) : Non-Cash flows</u>		
Amortisation	28,694	16,897
Provision for employee entitlements	(19,237)	(14,972)
Depreciation	793,384	783,014
Net (Profit)/Loss on sale of fixed assets	(63,532)	(45,655)
Changes in assets and liabilities		
(Increase) Decrease in receivables	(32,182)	(13,498)
(Increase) Decrease in inventories	(5,084)	(8,846)
(Increase) Decrease in prepayments	(24,887)	(27,730)
(Increase) Decrease in deferred tax asset (Note 10)	(190)	(46,213)
Increase (Decrease) in GST, withholding & fringe benefits tax payable	26,951	5,241
Increase (Decrease) in trade creditors	(153,246)	133,267
Increase (Decrease) in subscriptions paid in advance	1,609	2,955
Increase (Decrease) in accrued expenses	24,741	46,853
Increase (Decrease) in income received in advance	11,149	12
Net cash inflow (outflow) from operations	989,927	1,156,552
	=====	=====

The accompanying notes form part of these financial statements.

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

ABN 38 001 059 383

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements are in Australian Dollars and have been rounded to the nearest dollar have been rounded to the nearest dollar.

The financial statements were authorised for issue on 31 October 2023 by the directors of the company.

Accounting Policies

(a) Property, Plant & Equipment

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

Property

Freehold land and buildings are shown at their fair value based on periodic valuations by external independent valuers, plus additions at cost, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

ABN 38 001 059 383

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONT'D)

Property (cont.)

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.

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially measured at the fair value of the asset at the date it is acquired.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are:

Class of Fixed Asset	Depreciation Rate
Buildings	2%
Plant and equipment	5-40%
Motor Vehicles	25%
Poker machines	16.5-40%
Carpet	12.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(b) Inventories

Inventories comprise stock for resale and are measured at the lower of cost and net realisable value.

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

ABN 38 001 059 383

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONT'D)

(c) Employee Benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. The provisions are calculated in accordance with the regulations of the Club Employees (State) Award and associated Acts. Australian Accounting Standard AASB 119 has not been applied in calculating the long service leave provision, as the financial statements are not affected materially by the difference in methods.

This accounting policy has been changed from the prior year. If the change had been made in the previous year the effect in that year would have been a decrease to profit of \$9,853. No adjustment has been made in the comparative figures for the prior year as the financial effect is immaterial.

The company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

Retirement benefit obligations

Defined contribution superannuation benefits

All employees of the company receive defined contribution superannuation entitlements, for which the company pays the fixed superannuation guarantee contribution (currently 10% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position.

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

ABN 38 001 059 383

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONT'D)

(d) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred income tax assets are recognised for income tax losses to the extent that it is probable that future tax profits will be available against which those losses can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

The income of the Company is assessable for income tax only to the extent that it comprises non-member income calculated under the special provisions applicable to registered clubs under the mutuality principle.

(e) Leases

The Club as Lessee

At inception of a contract, the Club assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Club where the Club is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Club uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Club anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

ABN 38 001 059 383

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONT'D)

Concessionary Leases

For leases that have significantly below-market terms and conditions principally to enable the Club to further its objectives (commonly known as peppercorn/concessionary leases), the Club has adopted the temporary relief under AASB 2018-8 and measures the right of use assets at cost on initial recognition.

The Club as Lessor

The Club leases some rooms in their building to external parties.

Upon entering into each contract as a lessor, the Club assesses if the lease is a finance or operating lease

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (for example legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Rental income due under finance leases are recognised as receivables at the amount of the Club's net investment in the leases.

When a contract is determined to include lease and non-lease components, the Club uses the relative stand-alone price to allocate the consideration under the contract to the lease and non-lease components.

(f) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(g) Provisions

Provisions are recognised when there is a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONT'D)

(h) Cash and Cash Equivalents

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

(i) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

When the Club receives operating grant revenue, donations or bequests, 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 grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Club:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards;
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Entity recognises income in profit or loss when or as it satisfies its obligations under the contract.

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

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or 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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(k) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONT'D)

(I) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised immediately as expenses in profit or loss.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15: Revenue from Contracts with Customers.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (i) the amount at which the financial asset or financial liability is measured at initial recognition;
- (ii) less principal repayments;
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONT'D)

Financial Instruments (cont)

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

De-recognition

Financial assets are 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 the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (i.e. has 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.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONT'D)

Financial liabilities are derecognised when it is extinguished (i.e. 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.

(m) Trade and Other Payables

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

(n) Critical Accounting Estimates and Judgments

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

(o) Fair Value of Assets and Liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

"Fair value" is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data

To the extent possible, market information is extracted from the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONT'D)

	2023	2022
	-----	-----
2. REVENUE AND OTHER INCOME		
Revenue		
Sales Revenue		
- Bars & bottle shop	1,035,197	725,377
- Rivers Restaurant & Coffee Shop	1,519,473	955,125
	-----	-----
Total Sales Revenue	2,554,670	1,680,502
Other Revenue		
- Poker machine net revenue	3,745,426	3,027,705
- Special days	167,036	122,510
- Subscriptions	25,627	21,090
- Commissions - Keno	85,836	58,860
- Other	44,500	35,090
- Rent	576	1,382
- Sundry	34,064	27,504
	-----	-----
Total Revenue	6,657,735	4,974,643
	-----	-----
Other Income		
- Interest received	15,749	762
- Sale of fixed assets	63,532	45,655
- NSW JobSaver	-	158,644
	-----	-----
Total Other Income	79,281	205,061
	-----	-----
Total Revenue and Other Income	\$6,737,016	\$5,179,704
	=====	=====
3. PROFIT FOR THE YEAR		
a) Expenses:-		
Borrowing costs	16,597	961
Depreciation of property, plant & equipment	822,078	799,911
Directors' emoluments - part time directors	17,340	17,500
b) Significant Revenue and Expenses:-		
Interest	15,749	762
Net Profit on sale of property, plant & equipment	63,532	45,655
NSW JobSaver	-	158,644
Increase/(Decrease) in provision for employee entitlements	(22,313)	(14,972)

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONT'D)

	2023	2022
	-----	-----
4. INCOME TAX EXPENSE		
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2022: 25%)	102,869	69,754
	-----	-----
Less:		
Effect of permanent difference of mutuality principle and the non-deductibility of certain expenses	103,570	115,967
	-----	-----
Income Tax Expense/(Benefit) relating to Ordinary Activities	(701)	(46,213)
	=====	=====
The income tax benefit arises as the current year tax loss is expected to be available to reduce income tax payable in future years (Note 10).		
5. TRADE AND OTHER RECEIVABLES		
Trade Receivables	\$4,371	\$5,288
	=====	=====
(i) Provision for Impairment of Receivables Current trade receivables are generally on 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. No provisions for impairment have been considered necessary.		
6. INVENTORIES		
Finished goods – bar stock & food	\$43,304	\$38,220
	=====	=====

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONT'D)

	<u>2023</u>	<u>2022</u>
7. OTHER CURRENT ASSETS		
Prepayments	94,815	69,928
Other receivables	52,089	18,990
	<u>146,904</u>	<u>88,918</u>
	=====	=====
8. PROPERTY, PLANT AND EQUIPMENT		
Property used in continuing operations		
Land and buildings at fair value:		
- at independent valuation 30/6/23 (2022: 30/6/17)	8,665,000	7,130,000
Group Land & Building additions since valuation – at cost	-	2,418,823
Less: accumulated depreciation	-	528,973
	<u>8,665,000</u>	<u>9,019,850</u>
Total land and buildings used in continuing operations	8,665,000	9,019,850
	<u>8,665,000</u>	<u>9,019,850</u>
	=====	=====
Plant and equipment:		
- at cost	5,215,855	4,940,090
Less: accumulated depreciation	3,445,975	3,063,899
	<u>1,769,880</u>	<u>1,876,191</u>
Total plant and equipment	1,769,880	1,876,191
	<u>1,769,880</u>	<u>1,876,191</u>
	=====	=====
Intangibles Software and Game Licences:		
- at cost	169,504	108,168
Less: accumulated amortisation	76,349	50,617
	<u>93,155</u>	<u>57,551</u>
Total intangibles – software & game licences	93,155	57,551
	<u>93,155</u>	<u>57,551</u>
	=====	=====
Total property, plant and equipment	<u>\$10,528,035</u>	<u>\$10,953,592</u>
	=====	=====

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONT'D)

(a) **Movements in Carrying Amounts**

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

2023	Intangibles – Software & Licences	Plant and Equipment	Land and Buildings – used in continuing operations
Balance at the beginning of the year	57,551	1,876,191	9,019,850
Additions at cost	67,836	542,773	819,116
Revaluations	-	-	(1,029,257)
Disposals	-	(3,947)	-
Depreciation/Amortisation expense	(32,232)	(645,137)	(144,709)
Carrying amount at the end of the year	<u>93,155</u> =====	<u>1,769,880</u> =====	<u>8,665,000</u> =====

An independent market valuation of the club's core freehold properties at Commercial Road and King Street Murwillumbah was conducted on 30 June 2023 by Geoff Pyman of AON Valuation Services. The fair market value of the land and buildings was \$8,665,000. The directors have adopted these values as at 30 June 2023.

Gaming Machine Entitlements

The Gaming Machine Act 2001 has created gaming entitlements for the Club that have a tradeable value. The Club has 80 gaming entitlements. The value of these entitlements had no cost and has not been brought into account.

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONT'D)

	2023	2022
	-----	-----
9. OTHER NON-CURRENT ASSETS		
Capital Works in Progress	261,689	228,668
	-----	-----
Total Other Non-Current Assets	\$261,689	\$228,668
	=====	=====
10. DEFERRED TAX ASSETS		
Opening Balance	174,968	128,755
Current year (profit)/loss	701	57,918
Effect of change in tax rate	-	(11,705)
	-----	-----
Total Deferred Tax Assets	175,669	174,968
	=====	=====
The deferred tax asset is represented by tax losses available to reduce taxable income. Refer note 1(d).		
11. TRADE AND OTHER PAYABLES		
Current Liabilities		
Withholding & fringe benefits tax payable	34,329	37,659
GST Payable	33,118	2,837
Trade creditors	257,993	411,239
Employee entitlements	218,510	214,558
Accrued expenses	252,524	224,197
	-----	-----
Total Current Payables	\$796,474	\$890,490
	=====	=====
a) Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables		
- Total current	796,474	890,490
- Total non-current	-	-
	-----	-----
	796,474	890,490
	-----	-----
Less deferred income	-	-
Less employee entitlements	218,510	214,558
	-----	-----
Financial liabilities as trade and other payables	\$577,964	\$675,932
	=====	=====
12. BORROWINGS		
Current Liabilities		
Term payment facilities - unsecured	73,319	59,550
	-----	-----
Total Short-term borrowings	73,319	59,550
	=====	=====
Non-Current Liabilities		
Long-term borrowings		
Loans – secured	330,877	-
Term payment facilities - unsecured	30,540	33,087
	-----	-----
Total Long-term borrowings	361,417	33,087
	-----	-----
Total Borrowings	\$434,736	\$92,637
	=====	=====
Total secured liabilities	330,877	-
	=====	=====

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONT'D)

Secured liabilities are bank loans secured by a First Registered Mortgage over Non Residential Real Property located at 1 King Street Murwillumbah NSW 2484, 10 Wollumbin Street Murwillumbah NSW 2484 and over the whole of its assets and undertakings including uncalled capital, the liquor licence and poker machine licences.

13. PROVISIONS	Long-term Employee Benefits	Total
Opening balance as at 1 July 2022	239,072	239,072
Additional provisions raised during the year	(2,038)	(2,038)
Amounts used	(24,228)	(24,228)
	<u>239,072</u>	<u>239,072</u>
Balance at 30 June 2023	\$212,806	\$212,806
	<u>212,806</u>	<u>212,806</u>
Analysis of Total Provisions	2023	2022
	<u>2023</u>	<u>2022</u>
Current	168,943	209,841
Non-Current	43,863	29,231
	<u>212,806</u>	<u>239,072</u>
	<u>212,806</u>	<u>239,072</u>

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. The measurement and recognition criteria relating to employee benefits have been included in Note 1 to these financial statements.

14. OTHER CURRENT LIABILITIES		
Subscription received in advance	46,281	44,672
Other income received in advance	18,747	7,598
	<u>65,028</u>	<u>52,270</u>
	<u>65,028</u>	<u>52,270</u>

MURWILLUMBAH SERVICES MEMORIAL CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONT'D)

15. RESERVES			
Revaluation Surplus			
Opening balance		2,584,504	2,584,504
Transfer to Capital Profits Reserve		-	-
Revaluation increases/(decreases) – Land & Buildings	Note 8	(1,029,257)	-
		-----	-----
Closing Balance		\$1,555,247	\$2,584,504
		=====	=====
The revaluation surplus records the revaluations of non-current assets.			
		-----	-----
Capital Reserve		\$2,452,970	\$2,452,970
		=====	=====
In accordance with AASB 3 Business Combinations this capital reserve arose from the application of the acquisition method to a business combination. The reserve recognises the surplus of the fair values of the identifiable assets acquired over the associated costs and liabilities assumed.			
Capital Profit Reserve			
Opening balance		71,417	71,417
Transfer from Revaluation Reserve		-	-
Transfer from Retained Earnings		-	-
		-----	-----
Closing Balance		\$71,417	\$71,417
		=====	=====
The capital profit reserve records the profit on the sale of non-current assets.			
		-----	-----
TOTAL RESERVES		\$4,079,634	\$5,108,891
		=====	=====

16. KEY MANAGEMENT PERSONNEL

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel. The Company is run by the Board of Directors. All major business decisions are made by the Board. The day to day business of the Company is run by the employees of the Company. As all major business decisions are made by the Board, no key management personnel disclosures are deemed appropriate.

17. RELATED PARTY TRANSACTIONS

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

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

Transactions with related parties were as follows:

Robert Kaehler, a director, provided building and construction services during the year.	1,638	3,086
Chris Chrisostomos, a director, provided disco hire services during the year.	2,850	4,950
	-----	-----
Total Related Party Transactions	\$4,488	\$8,036
	=====	=====

All transactions made by the directors with the Club are under the same terms and conditions applying to members and other patrons generally.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONT'D)

18. FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable and leases.

The carrying amount for each category of financial instruments, measured in accordance with AASB 139: Financial Instruments: Recognition and Measurement as detailed in the accounting policies to these financial statements, are as follows:

		<u>2023</u>	<u>2022</u>
FINANCIAL ASSETS			
Cash and cash equivalents		1,052,867	1,116,110
Trade and other Receivables	Note 5	4,371	5,288
Total Financial Assets		<u>1,057,238</u>	<u>1,121,398</u>
FINANCIAL LIABILITIES			
Financial liabilities at amortised cost:			
Trade and other payables	Note 11	577,964	675,932
Borrowings	Note 12	434,736	92,639
Total Financial Liabilities		<u>1,012,700</u>	<u>768,571</u>

19. CAPITAL EXPENDITURE COMMITMENTS

Capital expenditure contracted for, at the date of this report, but not recognised in the financial statements:

	<u>2023</u>	<u>2022</u>
Buildings & Renovations	250,000	408,825
Total Capital Expenditure Commitments	<u>250,000</u>	<u>408,825</u>

20. LIMITATION OF MEMBERS LIABILITY

The Club is a Company limited by guarantee and in accordance with the Memorandum of Association the liability of members in the event of the Club being wound up would not exceed \$1.00 per member. At 30 June 2023 the number of members was 9,318 (2022: 8,443 members).

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CORE AND NON-CORE PROPERTY

In accordance with Section 41J(2) of the Registered Clubs Act 1976 the core property and non-core property of Murwillumbah Services Memorial Club Limited as at 30 June 2023 is provided below. This information does not form part of the audited financial accounts.

Core Property

1. The land upon which the main premises of the Club are located in Wollumbin Street, Murwillumbah described as 1/598795
2. The land upon which the Western Carpark in Factory Lane known as 5 King Street, Murwillumbah described as 4/955897 and 1/973049
3. The land upon which the area known as 1 King Street, Murwillumbah described as 1/576041

Non-Core Property

1. The land opposite the main premises of the Club located in Factory Lane known as 7 Factory Lane, Murwillumbah described as 1/960211