



73rd ANNUAL REPORT 2024



Great view, Great people, Great place!

ANNUAL GENERAL MEETING AGENDA Sunday, 24 November, 2024

1. **Apologies**
2. **Confirmation of Minutes**
To confirm the Minutes of the Annual General Meeting held Sunday, 26th November, 2023.
3. **Reports and Financial Statements**
To receive, consider and adopt the Financial Statements of the Company for the year ended 30th June, 2024, together with the reports of the Directors, Auditors, President and CEO.
4. **Special Resolution: Life Membership Nomination**
Resolution:
" A deceased person twelve (12) months or more or an employee of the Club is ineligible to be nominated for Life Membership ".
 - o **Explanatory Notes:**
 - a. The Board, at its meeting on 31 January, 2024, proposed amending R.6.5.1 of the Club's Constitution to state that deceased members who have passed twelve (12) months or more from the date of nomination or current employees of the Nambucca Heads RSL Club are ineligible for Life Membership nomination.
 - b. The proposed Special Resolution cannot be altered by a motion from the floor at the meeting.
 - c. To be passed, the proposed Special Resolution must receive votes in favour from not less than 75% of the members present and entitled to vote.
 - d. The Board recommends the proposed Special Resolution for approval.
5. **Ordinary Resolutions: Expenditure by the Board of Directors:**
In accordance with the Registered Clubs Act, the following Ordinary Resolutions will be considered:
 - o **Resolution No. 1 :** Approval of honorariums to the President and Directors for their services until the 2025 AGM:
 - President: \$ 7,000
 - Board of Directors: \$ 3,000 each
 - o **Resolution No. 2 :** Approval of expenditure, not exceeding \$ 30,000 for Professional Development & Education of Directors.
 - o **Resolution No. 3 :** Approval of expenditure, not exceeding \$ 31,000 for Directors to attend various activities throughout the year.
6. **Appointment of Auditor**
To appoint HLV Audit Pty Ltd to continue as per Corporations Law.
7. **General Business**
To deal with any Business received in writing prior to the commencement of the Meeting.

by Direction of the Board



Wendy Mills
CEO
Nambucca Heads RSL Club Limited
30 September, 2024

Please be advised that the Club's full report for the financial year ending 30 June, 2024 is available on the club's website at www.nambuccarsl.com.au.

If a member wishes to receive a hard copy of the report, please contact our friendly staff on (02) 6568 6288 or call into the Club to collect a copy when next visiting.

Nambucca Heads RSL Club Limited

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Nambucca Heads RSL Club Limited

73rd Annual President's Report

30 June 2024

Dear Members,

It is my distinct honour to present the 73rd Annual Presidents Report of the Nambucca Heads RSL Club.

The past year has been challenging for the entire Hospitality Industry, but I am proud to report that, despite the various external factors that impacted our Club's trading conditions, we remained resilient. Our Board & Management's unwavering dedication to strengthening and stabilizing operations ensured that we not only preserved the Club's viability but also continued to invest in its future.

We acknowledge the ongoing issues concerning our carpark, and we're optimistic about achieving a resolution in 2025.

The past five years have tested our Club's endurance with cautious consumer behaviour, fluctuating regulations, heightened compliance requirements, and reduced demand. However, the Club's agility and adaptability to these ever-changing conditions stand as a testament to our strength and commitment. Our resilience is commendable, and I am optimistic about the year ahead, confident in our ability to navigate any hurdles that come our way.

Looking forward, our new Strategic Plan for 2024-2025 will usher in fresh perspectives to our Club's operations. With our core values guiding us, we aim to enhance our facilities, services, and foster membership growth.

I wish to express my heartfelt gratitude to my fellow Directors, whose unwavering loyalty and dedication have consistently prioritized our members. Their commitment to their roles has been outstanding. I also want to commend our CEO, Wendy Mills, and the entire Management Team for their professionalism and excellence in steering our Club towards financial sustainability.

Our staff, both at the forefront and behind the scenes, have demonstrated steadfastness and determination throughout the year. I extend my deepest appreciation to them.

Our Sub-Branch, the Women's Auxiliary, and UHA deserve special recognition for their continued efforts in fund-raising through activities like Monday morning Bingo and Wednesday Bingo, respectively. Their dedication to our members, guests, and local hospitals is truly commendable.

In this year, our Club has been privileged to contribute over \$107,500.00 generously to various charities, local initiatives, and individuals in need.

On a sombre note, we extend our deepest sympathies to members and their families who have lost their loved ones this year.

In conclusion, dear members, I want to emphasize how much we value your continued support. Your unwavering patronage is the foundation of our Club's growth and success. On behalf of the Nambucca Heads RSL Club Board of Directors, Management, and Staff, I extend our heartfelt gratitude.

Terrie Hyslop

President

Nambucca Heads RSL Club Limited

CEO's Report

30 June 2024

Introduction The year 2023-2024 has been a rollercoaster of emotions for our club, marked by both moments of elation and challenges that tested our resilience. From the joy of securing funds through the Black Summer Grant to the despair of dealing with Alurt Construction's administration, it has been a year of significant developments for Nambucca Heads RSL Club.

Building Works and Carpark Upgrades Over the past year, the club has undergone extensive building works and carpark upgrades, causing disruption to operations and trade. Prior to the commencement of the building project, asbestos was discovered and had to be safely removed, delaying the initial works. Once cleared, construction began with an expected completion date of December 22nd, 2023.

The construction process affected the club's operations in several ways:

- A large portion of the carpark was rendered unusable.
- Various sectors of level 3 were unusable for a majority of the works.

Despite these challenges, the club maintained its commitment to not allowing variations within the building project. However, as the roof, which had endured over 75 years of wear and tear, was stripped back, several structural issues were uncovered. These included the need for a major beam replacement, new wiring, and the installation of breakout doors. Thankfully, the club was able to fund these necessary variations through cash reserves.

Challenges with Alurt Construction As time progressed, issues with Alurt Construction became more pronounced, leading to the suspension of their works. Unfortunately, Alurt took the matter to adjudication, and despite our best efforts, the club lost the case and was required to make a payment. However, we have initiated legal proceedings, and through our insurer and Alurt's insurance, we are working to recoup these funds and complete the building works as initially planned. This will ensure that the club fulfills its commitment to becoming the designated Evacuation Centre for the Nambucca Valley.

Carpark Lease Negotiations The club has been in ongoing discussions with Nambucca Valley Council regarding the 21-year lease of the Crown Land carpark. Due to concerns over the stability of the carpark and the liability it may impose on the club, this matter has been referred to our Legal Team, who are actively addressing our concerns with the Council and Crown Lands. Despite the unresolved lease issue, the club contributed \$189K towards the carpark upgrade from our cash reserves, which has left our reserves low.

Nambucca Heads RSL Club Limited

CEO's Report

30 June 2024

Outsourcing of Administration and Cleaning Staff As part of our strategic response to the changing business landscape, the club made the difficult decision to outsource certain areas of our operations. Administration and cleaning staff were outsourced as we adapted to the financial pressures of the year. This change, while challenging, was necessary to ensure the long-term sustainability and efficiency of the club. We appreciate the efforts of our team through this transition.

Sponsorship and Club Success On a more positive note, the club's sponsorship of the Nambucca Roosters First Grade team has proven to be a wise decision, benefiting both the club and the community. We are pleased to announce that we have secured a 3year sponsorship, further strengthening our relationship with the team.

Gratitude to the Board of Directors, Management, and Staff During this difficult and transformative year, I would like to take a moment to express my heartfelt gratitude to our Board of Directors. Your trust and unwavering support have been instrumental in navigating the complexities and challenges we faced. It is through these trying times that working collaboratively as a united front ensures the best possible outcomes for our club. Your leadership has been a guiding light, and I am deeply thankful for your dedication to our shared vision.

And to our Management Team and staff—what can I say? You've been the backbone of the club, especially during such a disruptive year. Your dedication, hard work, and resilience have not gone unnoticed. You're the reason we remain the heartbeat of this community, —a place where people come together, even in the face of adversity. Your contributions have made a lasting impact, and for that, I am profoundly grateful and thank you from the bottom of my heart.

Retirement of Long-Term Staff As we bid farewell to three of our longstanding team members, Doreen Ford 40years service, Barrie Nichols 15years service, and Tim Hardy 12years service, we want to express our heartfelt gratitude for their years of dedication and service to Nambucca Heads RSL Club. Their contributions have left an indelible mark on our club's history, and their commitment has been integral to creating the welcoming community we cherish.

On behalf of the Board of Directors, Management, and Staff, we thank you, Doreen, Barrie, and Tim. Your dedication has not gone unnoticed, and you will always hold a special place in our club family. Wishing you all the best in this new chapter!

Acknowledgment of Our Members I would also like to extend our sincere thanks to our members for their continued patronage and faith in the Board and Management Team. Your support as we navigate through the obstacles placed before us has been a source of strength. To those members who have lost loved ones during the year, please accept our deepest condolences. Your presence and connection to the club continue to inspire us.

Nambucca Heads RSL Club Limited

CEO's Report

30 June 2024

Support from Our Bank Although this year has been one of our hardest, it gives us great confidence to know that our bank has supported us every step of the way. Their belief in our vision and commitment to backing our efforts has been pivotal in helping us stay on course, even through challenging times.

Closing Remarks While the year has been filled with many speed bumps and tears of despair, I want to emphasize that hope has never been lost. It takes one person to have a vision, but that vision can never come to fruition without a dedicated team behind them. To "Team Nambucca," I salute you. Your dedication, along with the loyalty of our members, has made our club what it is today—a community hub, a place of resilience, and a beacon of hope for the future.

Together, we will move forward and achieve our goals leaving no stone unturned to ensure the best possible financial outcome for the club. Thank you for your trust and patience as we move forward together.

Wendy Mills

CEO

Nambucca Heads RSL Club Limited

RSL SUB-BRANCH REPORT

30 June 2024

I am now in my third year of the RSL Sub branch president and as such I offer my sincere thanks to Secretary Brad D'Elboux and Treasurer John Kent OAM for their guidance, hard work and dedication. Sadly John has tendered his resignation effective from our AGM next year after 18 years service to the organisation, having said that, I believe it will take a miracle to keep him out of the office after April..... at least I hope so.

Thankfully, Mrs Gayle Keenan, a veteran of the Vietnam era has stepped forward and is currently getting up to speed in order to take over the position of treasurer in 2025.

I am also pleased to make known that Chris Elliott has come on board as the Vice President. Chris served with the Army in Timor.

Mr Gary Biden has joined our ranks as Welfare Officer and has contributed to the wellbeing of a number of veterans since taking up the very important position especially considering the age of a large percentage of our membership.

This year, so far, we have celebrated National Serviceman's Day and ANZAC Day, which I believe was attended by record numbers to both the dawn and main services. Additionally this year we remembered the veterans of the Middle East Area of Operations with our Vice President Chris leading the procedures.

This year we commemorated Vietnam Veterans Day on August 18th, and because of dwindling numbers, we commemorate the day at the various Sub-Branch venues throughout the valley on a rotational basis, with this years' service being held at Stuarts Point.

We remain grateful to the management and staff of the RSL Club Limited for the Clubs Grant which enabled us to commemorate each of the days in an appropriate, respectful and enjoyable manner.

Our Sub-Branch membership is very slowly growing. Currently we have 90 service members, 2 associate members and very importantly, 11 Auxiliary members, to whom I offer our thanks and appreciation for your important contribution to the welfare of the veteran community.

DENIS LANE

PRESIDENT

RSL SUB-BRANCH, NAMBUCCA HEADS

Nambucca Heads RSL Club Limited

Director's report

30 June 2024

The directors present their report on Nambucca Heads RSL Club Limited for the financial year ended 30 June 2024.

Information on directors

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

Terrie Hyslop

Qualifications:	Retired
Experience:	Previous Director
Responsibilities:	President
Appointed:	24 November 2013

William Henderson

Qualifications:	Retired
Experience:	Previous Director
Responsibilities:	Vice President, Sports Committee, Office Bearer
Appointed:	24 November 2002

Louis Barnes

Qualifications:	Retired
Experience:	Previous Director
Responsibilities:	Vice President, Sports Committee, Office Bearer
Appointed:	30 October 2005

John Hopkins

Qualifications:	Retired
Experience:	Previous Director
Responsibilities:	Director, Office Bearer
Appointed:	2 October 2017

Dennis Leigh

Qualifications:	Retired
Experience:	Previous Director
Responsibilities:	Director
Appointed:	28 April 2021

Nambucca Heads RSL Club Limited

Director's report

30 June 2024

Judith Belbin

Qualifications: Retired
Experience: Previous Director
Responsibilities: Director, Bullying & Harassment Situations
Appointed: 28 November 2021

Tracey Suebert

Qualifications: Retired
Experience: 37 years working at the Club, Supervisor for 12 years
Responsibilities: Director
Appointed: 26 November 2023

Paul Hayes

Qualifications: Justice of the Peace, Retired
Experience: Previous Director
Responsibilities: Director
Appointed: 26 November 2017
Resigned: 1 August 2023

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

Meetings of directors

During the financial year, 16 meetings of directors (including special meetings) were held. Attendances by each director during the year were as follows:

Director's Name	Directors' Meetings Eligible to attend	Directors' Meetings Number attended	Special Meetings Eligible to attend	Special Meetings Number attended
T. Hyslop	12	10	4	3
W. Henderson	12	11	4	4
L. Barnes	12	12	4	1
J. Hopkins	12	12	4	4
D. Leigh	12	12	4	4
J. Belbin	12	12	4	2
T. Seubert	7	6	3	3
P.Hayes	1	1	1	1

Nambucca Heads RSL Club Limited

Director's report

30 June 2024

Principal activities

The principal activities of Nambucca Heads RSL Club Limited during the financial year was the operation of a licensed club.

No significant changes in the nature of the Company's activity occurred during the financial year.

Short term objectives

The Company's short term objectives are to:

- a. Provide entertainment, food and beverages for the community at reasonable prices;
- b. Encourage new membership;
- c. Derive income to support local sporting groups and charitable organisations;
- d. Improve profitability and efficiency of Club operations.

Long term objectives

The Company's long term objectives are to:

- a. Maintain the ethics and tradition of the RSL and continue to provide a place for Returned Servicemen and Women to meet;
- b. Maintain financial stability of the Club;
- c. Repay the debt incurred in modernising the Club's premises;
- d. Ensure facilities continue to cater for members' needs.

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- Provide best possible facilities to members;
- Provide entertainment and activities to attract patronage to the Club;
- Offer high quality, low priced meals and reasonably priced beverages;
- Annual development of a financial budget and monthly monitoring of financial performance to ensure the Club operates within its financial capabilities.

Performance measures

The following measures are used within the Company to monitor performance:

- Monitoring performance by comparing actual results to past performance and budget forecasts;
- Reviewing key performance indicators such as gross profit margins, wages to turnover ratios, net returns from trading and average return per poker machine.

Nambucca Heads RSL Club Limited

Director's report

30 June 2024

Operating results

The profit of the Company after providing for income tax amounted to \$656,517 (2023: loss \$386,087).

Events after the reporting date

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

Corporate information

The Club is a "not-for-profit" entity, registered as a company limited by guarantee. Under its constitution the company is prohibited from the payment of dividends to its members. Any surplus on winding up will be distributed to an organisation which has similar objects as dictated by the Constitution.

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the Company. At 30 June 2024 the collective liability was \$13,802 (2023: \$12,020).

Auditor's Independence Declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2024 has been received and can be found on page 8 of the financial report.

Signed in accordance with a resolution of the Board of directors made pursuant to Section 298(2) of the *Corporations Act 2001*.



Terrie Hyslop
President

Dated: 23 October 2024



William Henderson
Vice President



Nambucca Heads RSL Club Limited
3 Nelson Street
Nambucca Heads NSW 2448

To the Directors of the Nambucca Heads RSL Club Limited

Auditor's independence declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024, there have been:

- no contraventions of the auditor independence requirements as set out in section 307C of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

HLV Audit Pty Ltd

Angela Holladay
Director
Nambucca Heads NSW

Dated: 23 October 2024

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Liability limited by a Scheme approved
under Professional Standards Legislation.

Nambucca Heads RSL Club Limited

Statement of income and retained earnings

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue	5.b	11,839,748	10,706,367
Finance income	6	63	153
Other income	5.b	84,132	73,763
Total income		11,923,943	10,780,283
Cost of goods sold		(3,030,820)	(3,059,881)
Advertising and marketing expenses		(71,299)	(77,777)
Depreciation and amortisation		(813,398)	(731,683)
Donations		(107,536)	(97,096)
Electricity and gas		(199,458)	(217,325)
Employee benefit expenses		(3,876,564)	(3,879,624)
Interest and finance charges	6	(211,323)	(127,504)
Insurance		(181,306)	(159,107)
Leases short-term, low value and variable expense		(33,395)	(5,116)
Legal and professional fees		(145,122)	(120,466)
Net loss on disposal of assets		(28,463)	(42,622)
Poker machine duty		(661,830)	(695,698)
Promotions and entertainment		(558,750)	(605,773)
Repairs and maintenance		(477,903)	(533,620)
Other operating expenses		(870,259)	(813,078)
Total expenses		(11,267,426)	(11,166,370)
Profit/(loss) before income taxes		656,517	(386,087)
Income tax	3.a	-	-
Profit/(loss) for the year		656,517	(386,087)

Retained earnings	Note	2024 \$	2023 \$
Profit/(loss) for the year		656,517	(386,087)
Opening balance		3,153,355	3,539,442
Retained earnings at the end of the year		3,809,872	3,153,355

The accompanying notes form part of these financial statements.

Nambucca Heads RSL Club Limited

Statement of financial position

As at 30 June 2024

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	8	715,130	3,172,386
Trade and other receivables	10	144,590	76,226
Inventories	11	222,984	258,818
Other assets	12	19,553	246,848
Total current assets		1,102,257	3,754,278
Non-current assets			
Property, plant and equipment	13	7,081,028	5,334,659
Intangible assets	14	8,334	8,334
Right-of-use assets	15	638,846	677,638
Total non-current assets		7,728,208	6,020,631
Total assets		8,830,465	9,774,909
Liabilities			
Current liabilities			
Trade and other payables	16	682,080	831,251
Borrowings	17	140,671	46,758
Employee benefits	20	655,689	617,687
Provisions	19	10,318	22,699
Lease liabilities	15	164,124	227,906
Deferred income	18	60,041	60,078
Contract liabilities	21	-	1,373,384
Total current liabilities		1,712,923	3,179,763
Non-current liabilities			
Borrowings	17	2,525,218	2,490,596
Employee benefits	20	75,015	79,633
Lease liabilities	15	707,437	871,562
Total non-current liabilities		3,307,670	3,441,791
Total liabilities		5,020,593	6,621,554
Net assets		3,809,872	3,153,355
Equity			
Opening balance		3,153,355	3,539,442
Profit/(loss) for the year		656,517	(386,087)
Total equity		3,809,872	3,153,355

The accompanying notes form part of these financial statements.

Nambucca Heads RSL Club Limited

Statement of cash flows

For the year ended 30 June 2024

	2024 \$	2023 \$
Cash flows from operating activities:		
Receipts from customers and members	11,151,480	10,749,813
Payments to suppliers and employees	(11,151,007)	(10,254,745)
Interest received	63	153
Interest paid	(211,322)	(127,504)
Receipts from grants	402,340	802,340
Net cash flows from/(used in) operating activities	191,554	1,170,057
Cash flows from investing activities:		
Purchase of property, plant and equipment	(2,549,442)	(262,801)
Net cash provided by/(used in) investing activities	(2,549,442)	(262,801)
Cash flows from financing activities:		
Proceeds from borrowings	252,250	-
Repayment of borrowings	(106,371)	(51,425)
Repayment of lease liabilities	(227,904)	(215,572)
Net cash provided by/(used in) financing activities	(82,025)	(266,997)
Net increase/(decrease) in cash and cash equivalents	(2,439,913)	640,259
Cash and cash equivalents at beginning of year	3,155,043	2,514,784
Cash and cash equivalents at end of financial year	715,130	3,155,043

The accompanying notes form part of these financial statements.

Nambucca Heads RSL Club Limited

Notes to the financial statements

For the year ended 30 June 2024

1. Introduction

The financial report covers Nambucca Heads RSL Club Limited as an individual entity. Nambucca Heads RSL Club Limited is a not-for-profit proprietary Company, incorporated and domiciled in Australia. The functional and presentation currency of Nambucca Heads RSL Club Limited is Australian dollars. Comparatives are consistent with prior years, unless otherwise stated.

The financial report was authorised for issue by the Directors on 23 October 2024.

2. Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*. The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Material Uncertainty to Going Concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Club has experienced a profit for the year of \$656,517 and recognise that this profit relates largely due to the recognition of \$1,755,724 of grant revenue that funded capital expenditure on long term assets. It is also recognised that there is a net current asset deficiency at the reporting date, where the current liabilities exceed current assets by \$610,666.

After considering all available current information, the Directors have concluded that there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due and payable and the preparation of financial statements on a going concern basis is appropriate, based on the following:

- Management has prepared a cashflow forecast with positive operating cashflows.
- The Club has experienced increased trading and sales in the first quarter of the 2024-2025 financial year and this is expected to continue now that the capital works have been completed and the resulting disruptions to trade have come to an end.
- The implementation of new promotions and initiatives to increase membership and Club patronage.
- Successful partnering with local sporting and community groups which has resulted in increased patronage.
- Expanding services to offer offsite catering to diversify revenue streams.
- Management continues to maintain a strong relationships with the Club's lenders.

Material accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

Nambucca Heads RSL Club Limited

Notes to the financial statements

For the year ended 30 June 2024

3. Material accounting policy information

a. Income tax

Income tax is not levied on the operations of the Company as they pertain to members, being exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*, but only in regard to activities concerning visitors as well as the Company's investment income. Therefore, normal company rates of tax are not based on the operating results for the year, but rather on the portion applicable to visitors and investment income. This is known as the principle of mutuality.

As at balance date, the Company has carried forward income tax losses of \$526,454. Although the Company may trade profitably in future years, after applying the principle of mutuality for taxation purposes, the probability of absorbing the entire balance of carried forward income tax losses is considered to be very low. Therefore, no deferred tax asset has been recognised in the financial statements as there is no certainty that the taxation losses will provide an economic benefit in the future.

b. Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

Cash flows in the Statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

c. Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is evidence of an impairment indicator for non-financial assets. Where an indicator exists, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated. The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Nambucca Heads RSL Club Limited

Notes to the financial statements

For the year ended 30 June 2024

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss. Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

d. Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

i. Financial assets

Classification

On initial recognition, the Company classifies its financial assets into those measured at amortised cost. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method (where material) less provision for impairment. Interest income impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default. The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

ii. Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method (where material). The financial liabilities of the Company comprise trade payables, bank loans, chattel mortgages and lease liabilities.

Nambucca Heads RSL Club Limited

Notes to the financial statements

For the year ended 30 June 2024

e. Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time for the year ending 30 June 2024. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

4. Critical accounting estimates and judgements

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances. These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates. The significant estimates and judgements made have been described below.

a. Key estimates - impairment of non financial assets

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using fair value less cost to sell or value-in-use calculations which incorporate various key assumptions.

b. Key estimates - estimated useful lives

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite or indefinite life of any intangible assets held. The useful lives could change 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 and are adjusted for prospectively, or where technically obsolete or non-strategic assets that have been abandoned or sold have been written off or down.

Nambucca Heads RSL Club Limited

Notes to the financial statements

For the year ended 30 June 2024

c. Key estimates - employee benefits

The Company provides for employee benefits as a liability arising from services rendered by employees to the end of the reporting period. In determining the liability, consideration is given to expected employee wage increases and the probability that the employee may satisfy vesting requirements. The effect of discounting is not considered material and has not been performed. Changes in the measurement of the liability are recognised in the profit or loss.

d. Key judgments - lease term

The Company is a party to a number of lease arrangements in relation to their poker machine and other equipment, as well as a licence to occupy the land on which the carpark and the Boatshed Café is constructed. Review of the minimum lease payments, lease terms, other terms and conditions in these agreements have been assessed against the criteria in AASB16 *Leases*. Agreements that meet the criteria have been classified as leases and recognised in the statement of financial position as right of use assets with corresponding lease liabilities.

The Company applies judgment in evaluating whether it is reasonably certain to project the continuation or renewal of long-term lease contracts with respect to Crown land. Changes to previously projected lease terms may result in a re-measurement of the right of use asset and related lease liability. The increase or decrease in the right of use asset and lease liability is recorded in the period in which the remeasurement occurs.

5. Revenue and other income

a. Accounting policy

i. Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Nambucca Heads RSL Club Limited

Notes to the financial statements

For the year ended 30 June 2024

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability. None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

ii. Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Sale of goods and provision of services

The Company usually recognises point-of-sale based revenues derived from the sale of goods and services, including bar sales, bistro sales, bottleshop sales and gaming revenues at a point in time, as the performance obligations inherent in these goods and services are generally satisfied at the time consideration is received. The Company may receive consideration for the provision of services in advance of those performance obligations being satisfied (such as function deposits). This timing difference may give rise to a temporary liability.

Government grants or subsidies

The Company assesses the specific facts and circumstances of each grant or subsidy received to determine the appropriate application of revenue recognition requirements. These will generally vary between AASB 15 Revenue from Contracts with Customers (recognised as performance obligations are satisfied) or AASB 1058 Income for Not-for-Profit Entities (recognised immediately in the profit or loss once irrevocably entitled).

Membership Subscriptions

Revenue from the provision of membership subscriptions are recognised in the year in which they relate to as this is deemed to be the point in time when the risks and rewards are transferred. Payments are generally received in advance. If paid prior to the year commencing, this is shown as a liability in the balance sheet and recognised as revenue on a straight-line basis over the period of membership.

Nambucca Heads RSL Club Limited

Notes to the financial statements

For the year ended 30 June 2024

Grant Income

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied. Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Consideration received under agreements that are either not enforceable, or do not have sufficiently specific performance obligations, is recognised in accordance with AASB 1058, either as:

1. Income immediately in the profit or loss for the excess of the initial carrying amount of an asset over any related amounts recognised in accordance with other Standards; or
2. Where the transfer of those grants are to enable the acquisition or construction of a recognisable non-financial asset that is to be controlled by the entity, as income in the profit or loss when (or as) the entity satisfies its obligations under that transfer.

Gain on disposal of non-current assets

When a non-current asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

iii. Rental income

Rental revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

iv. Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

Nambucca Heads RSL Club Limited

Notes to the financial statements

For the year ended 30 June 2024

b. Revenue from continuing operations

	2024	2023
	\$	\$
Revenue from contracts with customers		
Poker machines net takings	3,839,689	4,011,841
Bottleshop sales	2,233,369	2,381,031
Catering revenue	1,879,180	1,884,169
Bar sales	1,481,282	1,513,260
Sand Bar - cafe and bar sales	-	39,525
Entertainment and promotions	277,195	282,702
Keno commission	126,283	139,511
ATM rebates, TAB and other commission	103,371	109,525
Member subscriptions	43,410	20,363
Government grant	1,775,724	219,631
Total revenue from contracts with customers	11,759,503	10,601,558
Revenue from other sources		
Wage subsidies	10,844	36,860
Subclub Income	7,553	5,547
Room and Equipment Hire	21,274	27,564
Courtesy Bus	15,284	11,823
Prize Cabinet - Sales	8,110	5,835
Gaming Tax Rebate	17,180	17,180
Total revenue from other sources	80,245	104,809
Total revenue	11,839,748	10,706,367

c. Other income

	2024	2023
	\$	\$
Rental income	49,837	45,279
Sundry income	34,295	28,484
Total other income	84,132	73,763

Nambucca Heads RSL Club Limited

Notes to the financial statements

For the year ended 30 June 2024

6. Finance income and expenses

Finance income	2024	2023
	\$	\$
Interest income	63	153

Finance expenses	2024	2023
	\$	\$
Interest expense on loans	171,607	102,072
Interest expense on lease liabilities	39,716	25,432
Total finance expenses	211,323	127,504

7. Auditor's remuneration

	2024	2023
	\$	\$
Audit of the financial statements	35,600	37,400
Other remuneration of the auditor	14,400	11,320
Total auditor's remuneration	50,000	48,720

Other services included assistance with Xero, ASIC compliance, lodgement of the annual company income tax return, lodgement of the FBT return and lodgement of the quarterly Business Activity Statements.

8. Cash and cash equivalents

a. Accounting policy

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Nambucca Heads RSL Club Limited

Notes to the financial statements

For the year ended 30 June 2024

b. Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of cash flows is reconciled to items in the Statement of financial position as follows:

	2024	2023
	\$	\$
Cash and cash equivalents	715,130	3,172,386
Bank overdraft	-	(17,343)
	715,130	3,155,043

9. Cash flow information

Reconciliation of net income to net cash provided by operating activities:

	2024	2023
	\$	\$
Profit/(loss) for the year	656,517	(386,087)
Add / (less) non-cash items:		
(Profit) / loss on sale of assets	28,463	42,622
Depreciation and amortisation	813,398	731,683
Changes in assets and liabilities:		
(increase) / decrease in receivables	(68,364)	71,990
(increase) / decrease in inventories	35,834	(18,141)
(increase) / decrease in other assets	227,295	(201,393)
increase / (decrease) in payables	(149,171)	193,891
increase / (decrease) in employee benefits	33,384	132,789
increase/ (decrease) in provisions	(12,381)	19,935
increase / (decrease) in other liabilities	(37)	59
increase / (decrease) in contract liabilities	(1,373,384)	582,709
Cash flows from operations	191,554	1,170,057

Nambucca Heads RSL Club Limited

Notes to the financial statements

For the year ended 30 June 2024

10. Trade and other receivables

Current	2024	2023
	\$	\$
Trade receivables	130,208	72,081
Rebates receivable	13,299	139
Other receivables	1,083	4,006
Total Trade and other receivables	144,590	76,226

11. Inventories

a. Accounting policy

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the weighted average costs basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date.

b. Inventory details

Current	2024	2023
	\$	\$
Inventory - at cost		
Bar	43,664	50,769
Catering	26,269	36,903
Bottle Shop	148,670	157,240
Other	4,381	13,906
Total Inventory	222,984	258,818

12. Other assets

Current	2024	2023
	\$	\$
Other assets		
Prepayments	19,553	246,848

Nambucca Heads RSL Club Limited

Notes to the financial statements

For the year ended 30 June 2024

13. Property, plant and equipment

a. Accounting policy

Each class of property, plant and equipment is measured using the cost model and carried at cost less, where applicable, any accumulated depreciation and impairment.

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company, commencing when the asset is ready for use.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings and improvements	2% - 30%
Leasehold improvements	4%
Capital works in progress	0%
Plant and equipment	10% - 30%
Furniture fixtures and fittings	7.5% - 30%
Motor vehicles	20% - 30%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate. When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

Nambucca Heads RSL Club Limited

Notes to the financial statements

For the year ended 30 June 2024

b. Property, plant and equipment details

Summary	2024 \$	2023 \$
Land	75,606	75,606
Buildings and improvements		
At cost	9,197,186	7,430,295
Accumulated depreciation	(4,192,458)	(3,951,568)
Total Buildings and improvements	5,004,728	3,478,727
Leasehold improvements		
At cost	419,746	419,746
Accumulated depreciation	(418,817)	(413,938)
Total Leasehold improvements	929	5,808
Capital works in progress	-	25,189
Plant and equipment		
At cost	5,474,413	5,217,060
Accumulated depreciation	(3,948,109)	(3,834,299)
Total Plant and equipment	1,526,304	1,382,761
Furniture, fixtures and fittings		
At cost	1,127,042	1,006,495
Accumulated depreciation	(680,855)	(672,469)
Total Furniture, fixtures and fittings	446,187	334,026
Motor vehicles		
At cost	83,977	81,487
Accumulated depreciation	(56,703)	(48,945)
Total Motor vehicles	27,274	32,542
Total Property, plant and equipment	7,081,028	5,334,659

Nambucca Heads RSL Club Limited

Notes to the financial statements

For the year ended 30 June 2024

Movement in carrying amounts

2024	Land \$	Buildings \$	Capital works in progress \$	Plant and equipment \$	Furniture, fixtures and fittings \$	Motor vehicles \$	Leasehold improve- ments \$	Total \$
Opening balance	75,606	3,478,727	25,189	1,382,761	334,026	32,542	5,808	5,334,659
Additions	-	1,766,891	-	586,994	218,249	2,490	-	2,574,624
Disposals	-	-	-	(22,539)	(5,922)	-	-	(28,461)
Depreciation	-	(240,890)	-	(420,912)	(100,166)	(7,758)	(4,879)	(774,605)
Reclassification	-	-	(25,189)	-	-	-	-	(25,189)
Closing balance	75,606	5,004,728	-	1,526,304	446,187	27,274	929	7,081,028

14. Intangible assets

a. Accounting policy

Poker machine entitlements are licenses purchased under current Government regulation that allow the Company to increase the number of poker machines it holds. It is considered that the life of the entitlement(s) is indefinite, so the cost cannot be amortised. However, under the applicable accounting standards, these intangible assets must be tested at least annually for impairment.

Impairment on an asset occurs when the carrying amount exceeds the recoverable amount. Where this occurs, the value of the asset must be reduced to the lower amount with the resulting loss being recorded to the profit or loss. Based on value in use calculations, the impairment write off for the year ended 30 June 2024 in \$NIL (2023: \$NIL).

b. Intangible asset details

Summary	2024 \$	2023 \$
Poker Machine Entitlements	16,978	16,978
Poker Machine Entitlements - Impairment	(8,644)	(8,644)
Total poker machine entitlements	8,334	8,334

Nambucca Heads RSL Club Limited

Notes to the financial statements

For the year ended 30 June 2024

15. Leases

a. Accounting policy

At inception of a contract, the Company assesses whether a lease exists.

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

The Company has chosen not to apply AASB 16 to leases of intangible assets.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received. The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

b. Company as a lessee

The Company has leases over a range of assets including land and buildings, equipment and poker machines.

i. Terms and conditions of leases

The Company has lease agreements for various items of land and property, and plant and equipment used in its operations. The leases for plant and equipment are for terms of 3 to 5 years. The lease liabilities have been measured at amortised cost in accordance with AASB 16 Leases. The present value of future lease payments has been calculated using the rate implicit in the lease, or where this is not readily identifiable, the Company's incremental borrowing rate has been used.

Nambucca Heads RSL Club Limited

Notes to the financial statements

For the year ended 30 June 2024

ii. Concessionary leases

The Company entered into a licence agreement with Nambucca Valley Council commencing 8 May 2022 for a period of 13 months to occupy the land and buildings on Lots 1 and 2 of DP 866932. The agreement contains a holding over clause which allows the Club, as the Licensee, to continue to occupy the premises under the terms of the licence on a month to month basis. The Company has assessed that it is reasonably certain that it will exercise this option to continue to occupy the premises. The Company has measured the lease liability and corresponding right-of use asset at the present value of future lease payments using the current annual rent of \$46,008 for a period of 21 years after the expiration date of 7 June 2023.

iii. Right-of-use assets

2024	Land \$	Plant and equipment \$	Total \$
Opening balance	657,996	19,642	677,638
Depreciation charge	(30,949)	(7,844)	(38,793)
Closing balance	627,047	11,798	638,845

The carrying amount for the right-of-use assets related to poker machine leases is included in the plant and equipment total in note 13 of these financial statements.

iv. Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	2024 \$	2023 \$
< 1 year	194,749	265,007
1 - 5 years	271,147	419,877
> 5 years	690,150	736,168
Total undiscounted lease liabilities	1,156,046	1,421,052
Less unexpired interest	(284,485)	(321,584)
Lease liabilities included in the statement of financial position	871,561	1,099,468

Nambucca Heads RSL Club Limited

Notes to the financial statements

For the year ended 30 June 2024

v. Variable payments based on sales or usage

The Company has a lease agreement for printing and copying equipment which contains variable rates depending on usage. These variable lease payments are recognised in the profit and loss as incurred. The future exposure relating to these variable rates is not considered a material risk for the Company.

vi. Statement of income and retained earnings

The amounts recognised in the statement of income and retained earnings relating to interest expense on lease liabilities and short-term leases or leases of low value assets are shown below:

	2024	2023
	\$	\$
Interest expense on lease liabilities	(39,716)	(25,432)
Variable lease payments not included in the measurement of lease liabilities	(5,465)	(5,116)
Expenses relating to short term leases	(27,930)	-
Land	(30,949)	(30,949)
Plant and equipment	(7,844)	(7,844)

16. Trade and other payables

Current	2024	2023
	\$	\$
Trade payables	429,065	344,414
Accrued expenses	132,376	126,844
ATO liabilities	95,680	91,984
Other payables	24,959	268,009
Total trade and other payables	682,080	831,251

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Nambucca Heads RSL Club Limited

Notes to the financial statements

For the year ended 30 June 2024

17. Borrowings

Current	2024 \$	2023 \$
Bank overdraft	-	17,343
Bank loans	121,208	-
Chattel mortgages	19,463	29,415
Total current borrowings	140,671	46,758

Non-current	2024 \$	2023 \$
Chattel mortgages	24,587	2,643
Bank loans	2,500,631	2,487,953
Total non-current borrowings	2,525,218	2,490,596

a. Summary of borrowings

Bank Loans

The Company has two secured bank loan facilities with the ANZ Bank , which includes two variable rate business loans of \$2,000,000 and \$687,953. These facilities are secured by a registered first mortgage of the Company's club premises located at Nelson Street, Nambucca Heads, along with a fixed and floating charge over all present and future assets.

The business loan for \$2,000,000 is for a five year term with monthly interest only payments from June 2023, payable in arrears and the balance payable at the end of the five year term. The loan for \$687,953 is for a five year term with interest only payments for the first 6 months from June 2023 and then monthly principal and interest payments until the expiry of the term. The variable interest rate for both loans at 30 June 2024 was 8.05%. At the end of the year, the Company held a total of \$270,000 in unrestricted cash balances within related loan offset accounts in order to reduce interest charges.

Chattel Mortgages

The Company had the following Chattel Mortgages with ANZ Bank during the year:

- In February 2021 the Company entered into a Chattel Mortgage agreement for the purchase of a Cash Recycler with a term of 36 months. The total drawdown amount was \$94,842 with a total amount of interest payable of \$3,367.80 based on a rate of 2.41% per annum requiring repayments of \$2,728.05 per month. This mortgage was paid in full during the year.

Nambucca Heads RSL Club Limited

Notes to the financial statements

For the year ended 30 June 2024

- In November 2021 the Company entered into a Chattel Mortgage agreement for the purchase of a Kia Cerato with a term of 36 months. The total drawdown amount was \$23,000 with a total amount of interest payable of \$923.08 based on a rate of 2.72% per annum requiring repayments of \$664.53 per month. The mortgage is secured by the underlying asset.
- In November 2023 the Company entered into a Chattel Mortgage agreement for the purchase of furniture with a term of 36 months. The total drawdown amount was \$52,250 with a total amount of interest payable of \$6,214 based on a rate of 7.89% per annum requiring repayments of \$1,624 per month. The mortgage is secured by the underlying asset.

b. Defaults and breaches

During the current and prior year, there were no defaults or breaches on any of the loans.

18. Deferred income

Current	2024 \$	2023 \$
Subscriptions in advance	31,159	44,396
Income in advance	28,882	15,682
Total Deferred Income	60,041	60,078

19. Provisions

a. Accounting policy

Provisions are recognised when the Company has 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.

b. Provision details

Current	2024 \$	2023 \$
Provisions for Club Grants (Donations)	10,318	22,699
Total Provisions	10,318	22,699

Nambucca Heads RSL Club Limited

Notes to the financial statements

For the year ended 30 June 2024

20. Employee benefits

a. Accounting policy

Provision is made for the Company's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Changes in the measurement of the liability are recognised in profit or loss.

b. Employee benefit details

Current	2024 \$	2023 \$
Long service leave	242,064	244,789
Annual leave	413,625	372,898
Total current employee benefits	655,689	617,687

Non-current	2024 \$	2023 \$
Long service leave	75,015	79,633
Total non-current employee benefits	75,015	79,633

21. Contract balances

The Company has recognised the following contract assets and liabilities from contracts with customers:

Current contract liabilities	2024 \$	2023 \$
Capital grants - unspent funds	-	1,373,384

The prior year unspent grant funds relate to the Black Summer Bushfire Recovery Grant. These funds were fully expended during the year on capital improvements to the Club in accordance with the grant agreement.

Nambucca Heads RSL Club Limited

Notes to the financial statements

For the year ended 30 June 2024

22. Financial risk management

Financial assets	2024	2023
	\$	\$
Cash and cash equivalents	715,130	3,172,386
Trade and other receivables	144,590	76,226
Total financial assets	859,720	3,248,612

Financial liabilities	2024	2023
	\$	\$
Trade and other payables	(682,080)	(831,251)
Lease liabilities	(871,561)	(1,099,468)
Borrowings	(2,645,889)	(2,537,354)
Contract liabilities	-	(1,373,384)
Total financial liabilities	(4,199,530)	(5,841,457)

23. Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2024 (2023: None).

24. Members' guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the Company. At 30 June 2024 the number of members was 6901 (2023: 6,010).

25. Related parties

a. The Company's main related parties are as follows:

Related parties include key management personnel and those charged with governance (the Directors of the Club). The remuneration paid to key management personnel of the Company is \$694,230 (2023: \$661,755).

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

Nambucca Heads RSL Club Limited

Notes to the financial statements

For the year ended 30 June 2024

b. Transactions with related parties

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

The following transactions occurred with related parties during the financial year:

- The Company transacted with Brian Hyslop for the provision of services to repair and upholster furniture. Brian Hyslop operates as a sole trader and is spouse to Terrie Hyslop, the President of Nambucca Heads RSL Club Limited. The Company expended a total of \$2,685 during the financial year in respect of these works with the amount charged at discount to normal commercial rates. No amounts remained outstanding at balance date.
- A balloon payment of \$10,739 on a vehicle finance lease was paid on behalf of the lessee, Wendy Mills, CEO of the Company. The vehicle was subsequently sold to a close family member of the CEO at market value and the Company retained the proceeds of \$30,000 (incl. GST) from this sale.

26. Events occurring after the reporting date

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

27. Statutory information

The registered office and principal place of business of the Company is:

Nambucca Heads RSL Club Limited

3 Nelson Street

Nambucca Heads NSW 2448

Nambucca Heads RSL Club Limited

Directors' declaration

The directors of the Company declare that:

The financial statements and notes for the year ended 30 June 2024 are in accordance with the *Corporations Act 2001* and:

- comply with Australian Accounting Standards - Simplified Disclosures; and
- give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of the Company.

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

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



Terrie Hyslop
President

Dated: 23 October 2024



William Henderson
Director



Independent audit report to the members of Nambucca Heads RSL Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a simplified disclosure financial report of Nambucca Heads RSL Club Limited (the Company), which comprises the statement of financial position as at 30 June 2024, the statement of income and retained earnings and the statement of cash flows for the year then ended, notes to the financial statements and the Directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

1. Giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year ended; and
2. 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 Entity in accordance with the auditor independence requirements of 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty related to going concern

We draw attention to Note 2 in these financial statements that indicates during the year ended 30 June 2024, the Company recorded a net a profit for the year \$656,517 which included \$1,755,724 of grant revenue that funded capital expenditure on long term assets and, as of 30 June 2024, the Company's current liabilities exceeded its current liabilities by \$610,666. As stated in Note 2, these events or conditions indicate that a material uncertainty exists that may cast doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Other Information

The directors are responsible for the other information. The other information obtained at the date of this audit report is included in the Directors' report, the 73rd Annual President's report, the CEO's report and the RSL Sub-Branch President's report, but does not include the financial report and our audit 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 Directors for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report 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 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 management either intends to liquidate the Company or to cease operations, or has 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.
- 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

A handwritten signature in blue ink that reads 'HLV Audit'.

HLV Audit Pty Ltd

A handwritten signature in blue ink that reads 'Angela Holladay'.

Angela Holladay

Director

Nambucca Heads NSW

23 October 2024