
Riverwood Legion and Community Club Limited

ABN 80 000 411 923

**Annual Financial Report
31 December 2023**

Riverwood Legion and Community Club Limited

Directors' Report

Directors

The Directors present their report together with the financial statements of Riverwood Legion and Community Club Limited (the Company) for the year ended 31 December 2023.

The names of the directors in office at any time during or since the end of the year are:

Michael Free
William Ross
Keiron Smith
Craig Wilson
David Schuler
Bruce Egenton (Deceased 25 May 2023)
Theresa Tasaico
Lara Mina (Appointed 20 September 2023)

Information on Directors

Name	Qualifications, Experience, Special Responsibilities and Period of Directorship
Michael Free Aged 64	President, appointed April 2006 Acting President from March 2006 - April 2006 Senior Vice President, appointed March 2004 Vice President, appointed March 2002 Director since March 1998 (25 years) General Manager
William Ross Aged 67	Senior Vice President, appointed April 2006 Vice President, appointed March 2004 Chairman of Audit Committee Member of Car Park Development Committee Director since March 2002 (21 years) Former Public Servant
Keiron Smith Aged 54	Vice President, appointed April 2006 Chairman of Risk Committee Director since March 2003 (20 years) Recruitment Consultant
Craig Wilson Aged 58	Director since March 2003 (20 years) Member of Audit Committee Leading Hand Purchasing & Stores
David Schuler Aged 63	Director since April 2009 (14 years) Member of Risk Committee Member of ClubGrants Committee School Teacher

Riverwood Legion and Community Club Limited

Directors' Report (continued)

Bruce Egenton (Deceased 25 May 2023)	Director since April 2010 (13 years) Member of Risk Committee Member of Car Park Development Committee Retired Public Servant
Theresa Tasaico Aged 47	Director since April 2022 (2 years) Member of ClubGrants Committee Administration
Lara Mina Aged 42	Director since 20 September 2023 (4 months)

Principal activities

The principal activity of the company during the year has continued to be that of an ex-service and community club consisting of the conduct and promotion of a licensed social club for members of the company. There have been no significant changes in the nature of these activities during the year.

How this activity assists in achieving the objectives

The principal activity of the club outlined above is consistent with the club achieving the objectives with each stated strategy designed to enhance and improve the club's facilities and ensure delivery of quality facilities of the ex-service and community club.

Performance measurement and key performance indicators

The club's Strategic Plans are reviewed on a regular basis to ensure relevance to the community. A number of KPIs are employed by the club in order to measure, monitor and hence improve the club's performance and to achieve the club's objectives through sound financial management. Business activities are managed in a pro-active manner to ensure that the goals, objectives and business strategies are achieved.

Adapt to an ever changing & challenging business environment

Business trends analysis

Market analysis

Competitive analysis

SWOT analysis

Continual analysis of KPIs using the SMART criteria (this means the measure has a Specific purpose for the business, it is Measurable to really get a value of the KPI, the defined norms have to be Achievable, the improvement of a KPI has to be Relevant to the success of the organisation, and finally it must be Time phased, which means the value or outcomes are shown for a predefined and relevant period).

Dividends

No dividends were paid or declared during or since the end of the financial year (2022: Nil).

Riverwood Legion and Community Club Limited

Directors' Report (continued)

Review of operations

The net profit before tax for the year amounted to \$5,442,716 compared with \$6,668,533 for the prior year. This resulted after charging \$2,937,693 (2022: \$2,523,962) for depreciation and amortisation and before charging \$183,770 (2022: \$190,045) for income tax.

The table below shows a reconciliation of the Club's earnings before interest, income tax, depreciation, amortisation and the share of losses from investments.

	2023	2022
	\$	\$
Net profit after income tax attributable to members	5,258,946	6,478,488
Add back:		
Finance costs	-	5,848
Income tax	183,770	190,045
Depreciation & amortisation	2,937,693	2,523,962
EBITDA	8,380,409	9,198,343
Total Revenue	27,030,275	27,440,154
EBITDA % of total revenue	31.00%	33.52%

Significant changes in the state of affairs

There were no other significant changes in the state of affairs of the company during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.

Environmental regulation

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Riverwood Legion and Community Club Limited

Directors' Report (continued)

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 31 December 2023, and the number of meetings attended by each director were:

Director	Board Meetings		Executive Meetings		Risk Committee Meetings		ClubGrants Committee Meetings		Audit Committee Meetings	
	Meetings Attended	Meetings Held*	Meetings Attended	Meetings Held*	Meetings Attended	Meetings Held*	Meetings Held*	Meetings Attended	Meetings Held*	Meetings Attended
Mr Michael Free	11	11	9	11	-	-	1	1	-	-
Mr William Ross	10	11	10	11	-	-	-	-	-	-
Mr Keiron Smith	8	11	8	11	-	-	-	-	-	-
Mr Craig Wilson	11	11	-	-	-	-	-	-	-	-
Ms Lara Mina	3	3	-	-	-	-	-	-	-	-
Mr David Schuler	10	11	-	-	-	-	1	1	-	-
Mr Bruce Egenton	4	4	-	-	-	-	-	-	-	-
Ms Theresa Tasaico	10	11	-	-	-	-	1	1	-	-

* Number of meetings held where each Director was entitled to attend during the time they held office throughout the year

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Riverwood Legion and Community Club Limited

Directors' Report (continued)

Auditor's independence declaration

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

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

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Michael Free', written over a horizontal line.

Michael Free
Director

27 March 2024
Sydney

DECLARATION OF INDEPENDENCE BY CLAYTON EVELEIGH TO THE DIRECTORS OF RIVERWOOD LEGION AND COMMUNITY CLUB LIMITED

As lead auditor of Riverwood Legion and Community Club Limited for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements 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.



Clayton Eveleigh
Director

BDO Audit Pty Ltd

Sydney, 27 March 2024

INDEPENDENT AUDITOR'S REPORT

To the members of Riverwood Legion and Community Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Riverwood Legion and Community Club Limited (the Company), which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, the statement of changes in members' funds and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Riverwood Legion and Community Club Limited, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Company's financial position as at 31 December 2023 and of its financial performance for the year ended on that date; 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 *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors report, 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 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_files/ar1.pdf.

This description forms part of our auditor's report.

BDO Audit Pty Ltd


Clayton Eveleigh
Director

Sydney, 27 March 2024

Riverwood Legion and Community Club Limited

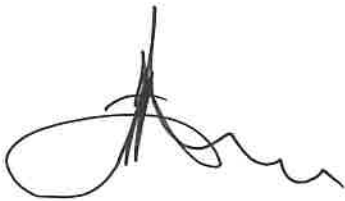
Directors' Declaration

The directors of Riverwood Legion and Community Club Limited declare that:

- (a) In the Directors' opinion the financial statements and notes set out on pages 10 to 31, are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the company's financial position as at 31 December 2023 and of its performance, for the financial year ended on that date; and
 - (ii) Complying with Australian Accounting Standards - Simplified Disclosures and *Corporations Regulations 2001* and other mandatory professional reporting requirements.
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.

Dated in Sydney this 27th day of March 2024.

A handwritten signature in black ink, appearing to read 'Michael Free', with a large, stylized flourish at the end.

Michael Free
Director

Riverwood Legion and Community Club Limited
Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2023

	Note	2023 \$	2022 \$
Revenue and other income			
Sale of goods		2,066,491	2,394,686
Rendering of services		24,405,213	24,466,026
Other revenue		558,571	579,442
		<hr/>	<hr/>
Total revenue and other income	1	27,030,275	27,440,154
		<hr/>	<hr/>
Expenses			
Raw materials and consumables used		(862,583)	(1,046,978)
Employee benefits expense		(4,874,629)	(4,223,452)
Entertainment, marketing and promotional costs		(2,668,585)	(3,038,418)
Poker machine licences and taxes		(6,181,089)	(6,225,745)
Donations		(496,750)	(473,890)
Occupancy expenses		(2,175,265)	(2,025,682)
Other expenses		(1,390,965)	(1,207,646)
		<hr/>	<hr/>
		(18,649,866)	(18,241,811)
		<hr/>	<hr/>
Earnings before depreciation and amortisation expense, finance costs and impairment losses		8,380,409	9,198,343
Depreciation and amortisation expenses	2	(2,937,693)	(2,523,962)
Finance costs	2	-	(5,848)
		<hr/>	<hr/>
Profit before income tax		5,442,716	6,668,533
Income tax expense	3(a)	(183,770)	(190,045)
		<hr/>	<hr/>
Net profit after income tax expense attributable to members		5,258,946	6,478,488
		<hr/>	<hr/>
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
		<hr/>	<hr/>
Total profit or loss and comprehensive income for the year		5,258,946	6,478,488
		<hr/>	<hr/>

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes set out on pages 14 to 31.

Riverwood Legion and Community Club Limited
Statement of Financial Position
As at 31 December 2023

	Note	2023 \$	2022 \$
ASSETS			
Current Assets			
Cash and cash equivalents		4,711,982	3,028,803
Trade and other receivables		1,364	1,783
Financial assets		750	750
Inventories		66,118	57,522
Other current assets		288,848	274,684
Total Current Assets		<u>5,069,062</u>	<u>3,363,542</u>
Non-Current Assets			
Property, plant and equipment	4	45,418,316	41,703,409
Right-of-use assets	5	164,525	261,351
Deferred tax assets	3(c)	30,485	24,765
Intangible assets	6	7,473,925	7,473,925
Total Non-Current Assets		<u>53,087,251</u>	<u>49,463,450</u>
Total Assets		<u>58,156,313</u>	<u>52,826,992</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	7	1,774,831	1,663,875
Employee benefits	8	840,356	697,286
Lease liability	9	121,135	122,677
Income received in advance	10	53,989	50,765
Other provision	11	3,200	3,200
Current tax liability	3(b)	134,883	205,127
Total Current Liabilities		<u>2,928,394</u>	<u>2,742,930</u>
Non-Current Liabilities			
Employee benefits	8	64,918	68,713
Lease liability	9	62,126	177,407
Income received in advance	10	45,303	40,988
Other provision	11	40,377	40,377
Deferred tax liability	3(d)	8,981	9,309
Total Non-Current Liabilities		<u>221,705</u>	<u>336,794</u>
Total Liabilities		<u>3,150,099</u>	<u>3,079,724</u>
Net Assets		<u>55,006,214</u>	<u>49,747,268</u>
Members' Funds			
Retained profits		<u>55,006,214</u>	<u>49,747,268</u>
Total Members' Funds		<u>55,006,214</u>	<u>49,747,268</u>

The Statement of Financial Position should be read in conjunction with the accompanying notes set out on pages 14 to 31.

Riverwood Legion and Community Club Limited
Statement of Changes in Members' Funds
For the Year Ended 31 December 2023

	Retained profits \$	Total Members Funds' \$
Balance at 1 January 2022	43,268,780	43,268,780
Net profit for the year	6,478,488	6,478,488
Other comprehensive income for the year	-	-
Total comprehensive income for the year	6,478,488	6,478,488
Balance at 31 December 2022	49,747,268	49,747,268
Net profit for the year	5,258,946	5,258,946
Other comprehensive income for the year	-	-
Total comprehensive income for the year	5,258,946	5,258,946
Balance at 31 December 2023	55,006,214	55,006,214

The Statement of Changes in Members' Funds should be read in conjunction with the accompanying notes set out on pages 14 to 31.

Riverwood Legion and Community Club Limited
Statement of Cash Flows
For the Year Ended 31 December 2023

	Note	2023 \$	2022 \$
Cash Flows from Operating Activities			
Receipts from customers (GST inclusive)		29,120,311	29,476,560
Payments to suppliers and employees (GST inclusive)		(21,063,045)	(21,931,971)
Interest received		-	82
Interest paid			(5,848)
Rent received		558,571	579,361
Income taxes paid	3(b)	(260,063)	55,467
		<hr/>	<hr/>
Net cash inflow from operating activities		8,355,774	8,173,651
		<hr/>	<hr/>
Cash Flows from Investing Activities			
Payment for property, plant and equipment	4	(6,555,772)	(5,925,811)
Payment for intangible assets	6	-	(5,308,446)
		<hr/>	<hr/>
Net cash outflow from investing activities		(6,555,772)	(11,234,257)
		<hr/>	<hr/>
Cash Flows from Financing Activities			
Repayment of borrowings		-	(1,500,000)
Repayment of lease liability		(116,823)	(29,153)
		<hr/>	<hr/>
Net cash outflow from financing activities		(116,823)	(1,529,153)
		<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents		1,683,179	(4,589,759)
Cash and cash equivalents at the beginning of the financial year		3,028,803	7,618,562
		<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year		4,711,982	3,028,803
		<hr/> <hr/>	<hr/> <hr/>

The Statement of Cash Flows should be read in conjunction with the accompanying notes set out on pages 14 to 31.

Riverwood Legion and Community Club Limited

Notes to the Financial Statements

For the Year Ended 31 December 2023

About this report

Riverwood Legion and Community Club Limited is a company limited by guarantee, incorporated and domiciled in Australia and is a non-for-profit entity for the purposes of preparing the financial statements. The financial statements are for Riverwood Legion and Community Club Limited as a standalone legal entity.

The financial statements were approved for issue by the Directors on 27 March 2023.

The financial statements are general purposes financial statements which:

- Have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australia Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB');
- Have been prepared under the historical cost convention;
- Are presented in Australian dollars;
- Where necessary comparative information has been restated to conform with changes in presentation in the current year; and
- Have been prepared on a going concern basis.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Critical Accounting Judgements, Estimates and Assumptions

In the process of applying the company's accounting policies, management has made a number of judgements and applied estimates of future events. Judgements and estimates that are material to the financial statements include:

Estimation of useful lives of assets	Note 4 & 6
Impairment	Note 4 & 6
Intangible assets	Note 6
Long service leave liability	Note 8

Riverwood Legion and Community Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2023

1 Revenue and Other Income

	2023 \$	2022 \$
Sale of Goods Revenue		
Bar sales	1,605,099	1,740,533
Coffee Shop sales	416,302	607,797
Espresso Bar sales	45,090	46,356
	<hr/> 2,066,491	<hr/> 2,394,686
Rendering of Services Revenue		
Poker machines - net clearances	23,796,888	24,055,256
Members' Subscriptions	45,541	43,516
Keno sales	102,939	88,956
Commission received	401,984	245,604
Sundry revenue	57,861	32,693
	<hr/> 24,405,213	<hr/> 24,466,026
Other Revenues		
Interest revenue	-	81
Rent received	558,571	579,361
	<hr/> 558,571	<hr/> 579,442
Total Revenue	<hr/> 27,030,275	<hr/> 27,440,154

Riverwood Legion and Community Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2023

1 Revenue and Other Income (continued)

Recognition and Measurement

Revenues are recognised at fair value of the consideration received or receivable net of the amount of goods and services tax (GST) payable to the taxation authority. Transfer Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Sale of Goods

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

Rendering of Services

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

Government Grants

Government grants are recognised as income when it is reasonably certain that the company complies with the conditions attached to them and when the right to receive payment is established. The club did not receive any government grants in the current year.

Interest Revenue

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

Rental Revenue

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Sale of Property, Plant and Equipment

The gain or loss on disposal of property, plant and equipment is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs) and is recognised as other income at the date control of the asset passes to the buyer.

Riverwood Legion and Community Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2023

2 Expenses

	2023 \$	2022 \$
Profit before income tax includes the following specific expenses:		
Finance costs		
Bank interest	-	5,848
	<hr/>	<hr/>
	-	5,848
	<hr/>	<hr/>
Depreciation and Amortisation		
Buildings and improvements	729,632	491,698
Car Park	592,305	1,013,859
Plant and equipment	511,768	302,675
Poker machines	923,062	593,411
Air Conditioning	84,100	93,166
Amortisation of Right-of-use asset	96,826	29,153
	<hr/>	<hr/>
Total depreciation and amortisation	2,937,693	2,523,962
	<hr/>	<hr/>
Net expense from movements in provision for employee benefits	139,275	126,983
	<hr/>	<hr/>
Defined contribution superannuation expense	444,500	375,429
	<hr/>	<hr/>

Riverwood Legion and Community Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2023

3 Income Tax

(a) Income Tax Expense

The Income Tax Assessment Act, 1997 (amended) provides that under the concept of mutuality clubs are only liable for income tax on income derived from non-members and from outside entities.

	2023 \$	2022 \$
The amount set aside for income tax in the Statement of Profit or Loss and Other Comprehensive Income has been calculated as follows:		
Portion of net income attributable to non-members	(32,724)	(58,184)
Add: Other taxable income	1,086,935	934,773
Less: Other deductible expenses	(294,976)	(50,833)
	<hr/>	<hr/>
Net income subject to tax	759,235	825,756
	<hr/>	<hr/>
Current income tax applicable to the above at 25% (2022: 25%)	189,809	206,438
Under/(over) in prior years	9	-
(Increase)/decrease in deferred tax assets	(5,720)	(16,680)
(Decrease)/increase in deferred tax liabilities	(328)	287
	<hr/>	<hr/>
Income tax expense	183,770	190,045
	<hr/>	<hr/>
(b) Current Tax Liabilities/(Assets)		
Movements during the year:		
Balance at beginning of year	205,127	(56,778)
Current year's income tax expense	189,809	206,438
Income tax (paid)/received	(260,053)	55,467
	<hr/>	<hr/>
Current tax liabilities/(assets)	134,883	205,127
	<hr/>	<hr/>

Riverwood Legion and Community Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2023

3 Income Tax (continued)

(c) Deferred Tax Assets

	2023 \$	2022 \$
The balance comprises temporary differences attributable to:		
<i>Amounts recognised in profit or loss</i>		
Employee benefits	30,055	24,608
Depreciation	430	157
	<hr/>	<hr/>
Net deferred tax assets	30,485	24,765
Movements		
Opening balance	24,765	8,085
Charged to the Statement of Profit or Loss and Other Comprehensive Income	5,720	16,680
	<hr/>	<hr/>
Closing balance	30,485	24,765
	<hr/>	<hr/>

(d) Deferred Tax Liabilities

The balance comprises temporary differences attributable to:		
Interest expense incurred for commercial leasing purpose	7,902	8,249
Interest expense incurred for club	1,079	1,060
	<hr/>	<hr/>
Net deferred tax liabilities	8,981	9,309
	<hr/>	<hr/>

Mutuality Principle

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

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

Recognition and Measurement

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

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

Riverwood Legion and Community Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2023

3 Income Tax (continued)

Recognition and Measurement (continued)

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

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

Riverwood Legion and Community Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2023

4 Property, Plant and Equipment

	2023 \$	2022 \$
Freehold Land, Buildings and improvements		
<i>At cost</i>	31,372,204	28,441,181
<i>Accumulated depreciation</i>	(7,804,091)	(7,074,459)
	<hr/> 23,568,113	<hr/> 21,366,722
Poker machines		
<i>At cost</i>	13,606,582	12,213,163
<i>Accumulated depreciation</i>	(11,331,982)	(10,570,922)
	<hr/> 2,274,600	<hr/> 1,642,241
Plant and equipment		
<i>At cost</i>	10,044,844	8,244,875
<i>Accumulated depreciation</i>	(6,994,757)	(6,482,987)
	<hr/> 3,050,087	<hr/> 1,761,888
Air Conditioning		
<i>At cost</i>	2,418,550	2,228,850
<i>Accumulated depreciation</i>	(1,932,865)	(1,848,766)
	<hr/> 485,685	<hr/> 380,084
Car Park		
<i>At cost</i>	18,174,153	18,174,153
<i>Accumulated depreciation</i>	(2,295,579)	(1,703,274)
	<hr/> 15,878,574	<hr/> 16,470,879
Work in progress		
<i>At cost</i>	161,257	81,595
	<hr/> 161,257	<hr/> 81,595
Total property, plant and equipment net book value	<hr/> <hr/> 45,418,316	<hr/> <hr/> 41,703,409

Riverwood Legion and Community Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2023

4 Property, Plant and Equipment (continued)

	2023 \$	2022 \$
Reconciliations		
Movements in Carrying Amounts		
Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are set out below:		
Freehold land, buildings and improvements		
Carrying amount at beginning of year	21,366,722	18,024,751
Additions	232,713	-
Transfer from work-in-progress	2,698,310	3,833,670
Depreciation expense	(729,632)	(491,699)
	<hr/>	<hr/>
Carrying amount at end of year	23,568,113	21,366,722
	<hr/>	<hr/>
Poker machines		
Carrying amount at beginning of year	1,642,241	1,688,542
Additions	1,555,421	967,558
Depreciation expense	(923,062)	(1,013,859)
	<hr/>	<hr/>
Carrying amount at end of year	2,274,600	1,642,241
	<hr/>	<hr/>
Plant and equipment		
Carrying amount at beginning of year	1,761,888	634,100
Additions	1,187,537	722,020
Transfer from WIP	612,430	708,443
Depreciation expense	(511,768)	(302,675)
	<hr/>	<hr/>
Carrying amount at end of year	3,050,087	1,761,888
	<hr/>	<hr/>
Air Conditioning		
Carrying amount at beginning of year	380,084	364,894
Additions	189,701	19,276
Transfer from WIP	-	89,080
Depreciation expense	(84,100)	(93,166)
	<hr/>	<hr/>
Carrying amount at end of year	485,685	380,084
	<hr/>	<hr/>

Riverwood Legion and Community Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2023

4 Property, Plant and Equipment (continued)

	2023 \$	2022 \$
Reconciliations (continued)		
Carpark		
Carrying amount at beginning of year	16,470,879	17,064,291
Depreciation expenses	(592,305)	(593,412)
	<hr/>	<hr/>
Carrying amount at end of year	15,878,574	16,470,879
	<hr/>	<hr/>
Work in progress		
Carrying amount at beginning of year	81,595	495,829
Additions	3,390,402	4,216,959
Transfer to property plant and equipment	(3,310,740)	(4,631,193)
	<hr/>	<hr/>
Carrying amount at end of year	161,257	81,595
	<hr/>	<hr/>

Core properties held by the Club are:

Riverwood

32-34 Littleton Street, Riverwood NSW 2210
48 Thurlow street, Riverwood NSW 2210
50-52 Thurlow street, Riverwood NSW 2210

Non-core properties held by the Club are:

Riverwood

56 Thurlow Street, Riverwood, NSW 2210
54 Thurlow street, Riverwood NSW 2210

Valuation

The independent valuations of the company's freehold land and buildings for Riverwood were last carried out as at December 2019 on the basis of open market value for existing use. As freehold land, buildings, the carpark and plant and equipment are recorded at cost the valuations have not been brought to account. The fair value of the land and buildings was determined to be \$41,832,025 and the directors do not believe that there has been a material movement in fair value since the valuation dates.

Riverwood Legion and Community Club Limited

Notes to the Financial Statements

For the Year Ended 31 December 2023

4 Property, Plant and Equipment (continued)

Recognition and Measurement

All property, plant and equipment (including Investment Property) is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated using the straight line/ diminishing value methods to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Property, Plant and Equipment	
Buildings and improvements	5 to 40 years
Car Park	25 years
Plant and equipment	2 to 25 years
Poker machines	3 years
Air conditioning	5 to 22 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. As asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Capital works in progress is transferred to property, plant and equipment and depreciated when completed and ready for use.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit or loss.

Key estimate and Judgement: Impairment of Assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit. Impairment losses are recognised in the income statement, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the income statement.

Key estimate and Judgement: Estimation of Useful Lives of Assets

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

Riverwood Legion and Community Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2023

5 Right-of-use assets

	2023 \$	2022 \$
Poker machines - right-of-use		
<i>At cost</i>	290,504	290,504
<i>Less accumulated amortisation</i>	(125,979)	(29,153)
	<hr/>	<hr/>
Total right-of-use assets at year end	164,525	261,351
	<hr/>	<hr/>
Movements in carrying amounts of right-of-use assets:		
Poker machines - right-of-use		
Carrying amount at the beginning of the year	261,351	-
Additions	-	290,504
Amortisation expense	(96,826)	(29,153)
	<hr/>	<hr/>
Carrying amount at the end of the year	164,525	261,351
	<hr/>	<hr/>

Recognition and measurement

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset. Right-of-use assets are amortised on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the amortisation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

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

Key Estimate and Judgement: Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the club's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The club reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Riverwood Legion and Community Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2023

6 Intangible Assets

	2023 \$	2022 \$
Poker machine entitlements At cost	7,471,605	7,471,605
Trademark At cost	2,320	2,320
Total intangible assets	<u>7,473,925</u>	<u>7,473,925</u>

Recognition and Measurement:

Poker machine entitlements are not amortised as they are deemed to have an indefinite useful life. They have an indefinite useful life as they do not expire and under current government legislation there is no plan to remove such entitlements. As a result, poker machine entitlements are tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and are carried at cost less accumulated impairment losses.

Impairment Tests for Poker Machine Entitlements

At the end of the reporting period the company assessed the recoverable amount of poker machine entitlement based on the value in use methodology. The company used the pre-tax cash flows generated from the poker machines net revenues generated and calculated the present values of these future cash flows at an appropriate discount rate to arrive at the total value of these entitlements. The value in use recoverable amount for each entitlement is calculated by dividing the total value of the entitlements with the actual number of entitlements. The value thus arrived, was in excess of the carrying value and accordingly no impairment losses were recognised.

Key Estimate and Judgement: Intangible Assets

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

7 Trade and Other Payables

	2023 \$	2022 \$
Trade creditors	546,753	919,257
Other creditors and accruals	355,619	948,151
Goods and Services Tax (GST) payable	872,459	(203,533)
	<u>1,774,831</u>	<u>1,663,875</u>

Recognition and Measurement

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Riverwood Legion and Community Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2023

8 Employee Benefits

	2023 \$	2022 \$
Aggregate liability for employee benefits including on-costs		
Current	840,356	697,286
Non-Current	64,918	68,713
	905,274	765,999
	905,274	765,999

The present value of employee benefits not expected to be settled within 12 months of reporting date have been calculated using the following weighted averages:

Inflation rate	4.10%	6.95%
Discount rate	4.19%	5.80%

Superannuation Plans

Contributions

The company is under a legal obligation to contribute 10.50% of each employee's base salary to a superannuation fund for period 1 July 2022 to 30 June 2023. The legal superannuation contribution required to be paid by the company to the employees selected superannuation fund changed to 11.00% for periods from 1 July 2023.

Recognition and Measurement

Wages and Salaries and Annual Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables with respect to employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

The provision for employee benefits relating to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided to reporting date. The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the market yields on national government bonds at reporting date which most closely match the terms of maturity with the expected timing of cash flows. The unwinding of the discount is treated as long service leave expense.

Key estimate and judgement: Long Service Leave

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

Superannuation Plan

The company contributes to several defined contribution superannuation plans. Contributions are recognised as an expense as they are made. The company has no legal or constructive obligation to fund any deficit.

Riverwood Legion and Community Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2023

9 Lease Liabilities

	2023 \$	2022 \$
Current		
Lease Liabilities	121,135	122,677
	<hr/>	<hr/>
Non-Current		
Lease liabilities	62,126	177,407
	<hr/>	<hr/>

Recognition and measurement

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

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

10 Income received in advance

	2023 \$	2022 \$
Current		
Income received in advance	40,215	39,290
Subscriptions in advance	13,774	11,475
	<hr/>	<hr/>
	53,989	50,765
	<hr/>	<hr/>
Non-current		
Subscriptions in advance	45,303	40,988
	<hr/>	<hr/>

Riverwood Legion and Community Club Limited
Notes to the Financial Statements
For the Year Ended 31 December 2023

11 Other Provisions

	2023 \$	2022 \$
Current		
Mortality Fund	3,200	3,200
	<hr/>	<hr/>
Non-Current		
Mortality Fund	40,377	40,377
	<hr/>	<hr/>

12 Commitments

There were no capital commitments as at 31 December 2023 (2022: nil).

13 Key Management Personnel Details

(a) Directors

The following persons were non-executive directors of the company during the financial year:

Michael Free
William Ross
Keiron Smith

David Schuler
Bruce Egenton (Deceased 25 May 2023)
Theresa Tasaico
Lara Mina (Appointed 20 September 2023)

Riverwood Legion and Community Club Limited

Notes to the Financial Statements

For the Year Ended 31 December 2023

13 Key Management Personnel Details (continued)

(b) Other Key Management Personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly during the financial year:

Name	Position
Paul Millar	Chief Executive Officer
Jamie Neil	Gaming Operations Manager

(c) Key Management Personnel Compensation

	2023 \$	2022 \$
Benefits and payments made to the Directors and Other Key Management Personnel	571,292	515,780

14 Related Parties

Key Management Personnel

Disclosures relating to key management personnel are set out in Note 13.

Directors' Transactions with the Company

From time to time directors of the company may purchase goods from the company or participate in other Club activities. These purchases and participations are on the same terms and conditions as those entered into by any other member of the Club.

Apart from the details disclosed in this note, no director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

15 Auditors' Remuneration

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the company:

	2023 \$	2022 \$
Audit services		
Audit of the financial statements	39,000	33,500
Other services		
Assistance with the preparation of the financial statements	3,000	2,500
Total	42,000	36,000

Riverwood Legion and Community Club Limited

Notes to the Financial Statements

For the Year Ended 31 December 2023

16 Company Details

The Club is incorporated and domiciled in Australia as a company limited by guarantee. In accordance with the Constitution of the Company, every member of the company undertakes to contribute an amount limited to \$5 per member in the event of the winding up of the Company during the time that he/she is a member or within one year thereafter. At 31 December 2023 there were 15,331 members (2022: 14,826).

The registered office of the Company is 8-12 Miller Street, Merrylands NSW 2160.

17 Events Subsequent to Reporting Date

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

18 Summary of Other Significant Accounting Policies

a) Goods and Services Tax

Revenues, 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. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the Statement of Financial Position.

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office.

b) Trade and other receivables

Trade debtors and other receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and provisions for doubtful accounts.

c) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average costs.