



2022-2023

# ANNUAL REPORT



**WESTS  
ENTERTAINMENT  
GROUP**

ABN 26 001 037 832



# WESTS' BOARD OF DIRECTORS



**JAMES TRELOAR**  
PRESIDENT



**TERRY PSARAKIS**  
VICE PRESIDENT



**ROBERT BOTH**  
DIRECTOR



**WALLY FRANKLIN**  
DIRECTOR



**EMILY COLES**  
DIRECTOR



**ROD LAING**  
CHIEF EXECUTIVE OFFICER

## HONORARY LIFE MEMBERS

+ Edward Harrison  
+ Augustus Yates  
+ John Hinkelbein  
+ Albert Lee  
+ John Meincke  
+ Ken Chillingworth  
+ Jack Bradley

+ Norm Young  
+ Jack Whitmore  
+ Adrian Solomons  
+ Pat McKinnon  
+ S.H (Lee) Allen  
+ John Kelly  
+ M. McKinnon

+ L. Bettison  
+ Stan Cole  
+ Len Walters  
+ Reg Cognet  
+ Nita Blake  
+ Dennis Condon  
+ Joan Chillingworth

John McClelland  
+ Jack McGilvray  
Max Sharpe  
Rod Laing  
Dennis Gross  
+ Alice Edmunds  
Ken Thompson  
+ Member Deceased

## 2022/2023 AT A GLANCE

**INCOME**  
**\$28.6m**  
Increase 35.54%

**NET ASSETS**  
**\$39.8m**

**OPERATING PROFIT**  
(Before provisions and finance costs)  
**\$7.7m**

**MEMBERS**  
**19,061**

# PRESIDENT'S REPORT

Dear members

It is my pleasure to present the group's annual report for the year ending June 2023. This report is to be considered at the Annual General Meeting (AGM) to be held on Tuesday 28 November 2023 at Wests, Phillip Street commencing at 6:30pm and all financial members are invited to attend.

This has been a very successful year for the entire group, and I would like to take this opportunity to thank all staff who have contributed to this achievement. Not only have we had a very good year financially but the group has also hosted and participated in many very successful major events.

The Tamworth Country Music Festival returned to its January time slot. Both Wests and Diggers had excellent entertainment that was well received by members and guests and made January a very good month for both clubs.

Country Music, major sporting events, organised tours and AgQuip have all made the Mercure Tamworth highly sort after for accommodation and it's occupancy rate continues to rise. The NRL, Brewfest, conferences and functions have all returned and the Event Centre continues to grow in popularity.

The outdoor areas including the main oval and The Royal are all in excellent condition and I congratulate the grounds staff for their great attitude and the way they just get on and do the job.

Even with the significant rise in interest rates this year our debt reduction and retained profits has meant the interest paid to the bank was less this year than last year, which is a very pleasing result.

This is the last year I will have to report on The Courts as a project under construction. The tennis courts are now very visible and most of the surfaces have been completed, fencing and lighting are nearing completion. I thank Jarrod Campbell who has not only displayed enormous patience but continued to be very supportive at all times whilst waiting for completed tennis courts. The clubhouse redevelopment is well underway and tenders have been accepted for all major works but I make no prediction of an opening date other than next year.

Wests Entertainment Group have been working with Paynter Dixon on design and a construction program for the redevelopment of Wests. This is a major project and to ensure the club remains open at all times there will be many stages happening over a number of years.

I would like to thank all Wests Entertainment Group staff, hospitality remains an exciting but challenging industry and it's our staff who deal with our members and guests that determine how enjoyable their experience will be.

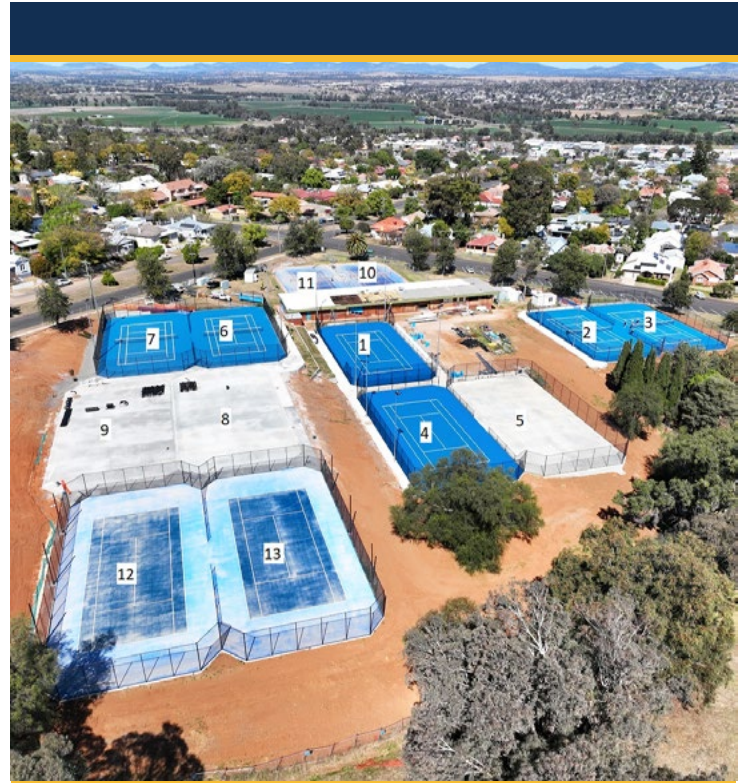
Again I congratulate the management team, who have ensured the group remains profitable but continue to look for new opportunities whilst facing the existing challenges.

I thank my fellow board members for their support and input but more importantly the time they give even whilst they have important things happening at home and with other family members.

It has been another great year but that is only possible with the support and patronage of our members and their guests and I would like to thank all members that make use of the groups many facilities.

I trust you enjoy the rest of the year as we move towards the festive season and may we all look forward to a wonderful and healthy 2024.

**James Treloar OAM**  
President



**The Courts upgrade includes 9 hard courts of championship standard acrylic - including one show court, and 4 sand-filled courts made of championship standard synthetic grass.**





# CHIEF EXECUTIVE OFFICER'S REPORT

Dear members

On behalf of our board of directors, management and staff, I thank all members for your continued patronage and loyalty to our clubs.

As another financial year comes to an end, it is my pleasure to submit the 62nd annual report and financial statements for the 52-week period ended June 27, 2023.

I am honoured to serve as CEO of Wests Entertainment Group. When I first joined Wests some 37 years ago, never in my wildest dreams would I have believed that our business would realise both the financial success and community standing that we have achieved.

Despite a tough environment, interest rate hikes and cost of living rises, the 2022/2023 financial year was a strong year. Financially the group has recorded an outstanding result with an operating profit of \$7.700 million before provisions and finance costs and a net profit of \$4.904 million.

Our performance highlights the effectiveness of our strategy as we pursued our mission to be financially successful and provide great and inviting facilities ensuring the loyalty of our members.

Wests' trading produced a very good result, realising an operating profit of \$5.466 million before provisions and finance costs, while Diggers returned an operating profit of \$1.479 million. The Courts @ East (currently closed) produced a loss of \$322,274, these are both fixed costs and asset write offs. The Mercure Tamworth had an operating profit of \$811,833.

As I have reported on in the past, staff shortages have proved challenging, especially in our food operations. To this end, the board agreed to engage and enter into a partnership with an external caterer. Porterhouse Hospitality Group took over our Banjos restaurant and functions in May this year. The group has extensive restaurant experience and the company operates in many clubs across NSW. We are confident this new partnership with Porterhouse Hospitality Group will be an outstanding success as they strive to nourish and delight our diners.

The Courts redevelopment continues to progress with the upgrade of the tennis courts nearing completion and I know the tennis community will welcome the new courts with great enthusiasm. Works on the clubhouse are also taking shape and even though we experienced a few delays, the old clubhouse has been completely gutted and the new fit out has commenced. The final stage of this project will be the addition of a new outdoor area that will present views over both the courts and the city. We are extremely excited about entering this new era with a grand reopening planned for early 2024.

2024 will also see the commencement of Wests redevelopment. This \$22 million upgrade will be carried out over several stages beginning with a new front façade, foyer, offices and alfresco gaming room. The following stages will see a new gaming room, bar and entertainment lounges, new dining facilities and new outdoor areas. This redevelopment will provide members with the most up-to-date facilities in Tamworth and will certainly entertain and delight ensuring our goal of remaining the No. 1 hospitality provider in Northern NSW.

Project management is challenging and the group is fortunate to have a skilled project manager. The success of our projects would not be possible without his expertise and guidance, thank you Garrett Laing.

Our executive team has again led the charge this year and remained focused to deliver these very good results. To James Cooper, Geoff Shanley and Paddy Donnelly, thank you for your contributions.

Our executive assistant, Michelle Bullock continues to support both the board and management.

Also to the supporting management team and venue managers; Therese Brodbeck, Nioami Wagstaff, Jaydon Hartin, Di Martin, Jamie Baylis and Don Lewington, congratulations on a great year.

Home to some of the city's major sporting and entertainment events, this year Scully Park hosted the NRL, Newcastle Jets Festival of Football, the Police Bank Cup and the NSW Country Rugby Union Championships. Our head grounds manager, Adam McMahon is responsible for this facility and every event Adam produces is pitch perfect. Well done to Adam and his apprentice, Riley Leonard on achieving raving results.

The greatest competitive edge our group has is the quality of our employees, which remains second to none. It is our team members who make the day-to-day activities happen. To each and every team member, thank you.

Again may I express my sincere thanks to the board led by James Treloar, for their ongoing support.

Finally, I cannot end this report without expressing once again, my appreciation to all members who continue to support our clubs on a daily basis. Our focus remains on looking after our members, their clubs and the community we serve. I trust you will see that this report confirms the commitment of Wests Entertainment Group to its members and the wider community.

I look forward to seeing you at our Annual General Meeting on Tuesday November 28 at 6:30pm.



**Rod Laing**  
Chief Executive Officer





WESTS  
ENTERTAINMENT GROUP

# FINANCIAL REPORT

# DIRECTORS' REPORT

Your directors present their report on the Company for the financial period ended 27 June 2023.

## Principal Activities

The principal activity of the Company is that of a registered club. In addition, the Company also operates a hotel, event centre and regional sporting facility.

## Objectives and Strategies

### Objectives

The short and long term objectives of the Company are to continue to provide the very best facilities for its members and guests, support and foster sport in the local area and provide a high level of financial support to community organisations. Through its memorandums of amalgamation the Company supports the traditions of the RSL movement and tennis.

### Strategies

The Company undertakes a number of strategies to meet these objectives:

- Diversification of income streams to lessen the reliance on gaming revenue
- Capital investment in all facilities to ensure they continue to meet member expectations
- Growth in revenues through expansions of our business and offerings

### Measurement of Performance

The Company measures financial and operational performance using the following key indicators:

- Trading performance to budget
- EBITDA and EBITDARD performance to industry standards
- Department measures such as gross profit and wage percentages

## Directors Information

### Directors

The names of the directors in office at any time during, or since the end of, the financial period and the period that each director has been in office:

Directors Name	Position	Qualifications	Experience	Special Responsibilities
James Treloar	President	Business Proprietor	5.7 years as director	Sponsorship Committee, Membership Committee, Finance Committee
Terry Psarakis	Vice President	Accountant	12.7 years as director	Finance Committee
Robert Both	Director	Retired	25.7 years as director	Sponsorship Committee, Membership Committee
Wally Franklin	Director	Retired	6.2 years as director	Sponsorship Committee, Membership Committee, Sports Director
Emily Coles	Director	Business Development Manager	3.7 years as director	Finance Committee

### Meetings of Directors

During the financial period, 37 meetings of directors (including committees of directors) were held and the attendances by each director during the financial period were as follows:

	Directors' Meetings		Sponsorship Committee Meetings		Membership Committee Meetings		Finance Committee Meetings		Total Meetings	
	Eligible to attend	Number attended	Eligible to attend	Number attended	Eligible to attend	Number attended	Eligible to attend	Number attended	Eligible to attend	Number attended
James Treloar	6	6	12	10	13	12	6	6	37	34
Terry Psarakis	6	5	-	-	-	-	6	6	12	11
Robert Both	6	6	12	12	13	13	-	-	31	31
Wally Franklin	6	5	12	12	13	13	-	-	31	30
Emily Coles	6	5	-	-	-	-	3	2	9	7

### Company Secretary

Rodney John Laing held the position of the company secretary at the end of the financial period.

## Training Disclosures

As required by Part 6 of the Registered Clubs Regulation 2015 the following table provides details of the compulsory training status of the directors and the CEO.

Name	Position	Training Completed	Reason for Exemption (if applicable)
James Treloar	Director	Yes	
Terry Psarakis	Director	Exempt	Appointed 2010
Robert Both	Director	Exempt	Appointed 1997
Wally Franklin	Director	Yes	
Emily Coles	Director	Yes	
Rodney Laing	Secretary/CEO	Exempt	Exemption Clause 4.2.1

## Membership Details

West Tamworth League Club Limited is a Public Company limited by guarantee and no shares or options are issued. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$4 each towards meeting any outstanding obligations of the Company.

Membership Class	Number of Members	Individual Members Contribution on winding up of Company	Total Members Contribution on winding up of Company
General Members	19,061	\$ 4	\$ 76,244
Total	19,061	\$ 4	\$ 76,244

## Non-Core Property

Non-core property is disclosed in Note 12 (c).

## Auditors' Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is attached to these financial statements.

Signed in accordance with a resolution of the Board of Directors

James Treloar  
President

Terry Psarakis  
Vice President

Dated: 31 August 2023

## AUDITORS' INDEPENDENCE DECLARATION

I declare that, to the best of my knowledge and belief, during the 52 week period to 27 June 2023 there have been:

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

## CROWE AUDIT AUSTRALIA

Kylie Ellis  
Audit Partner  
Registered Company Auditor (ASIC RAN 483424)

134 Taylor St  
ARMIDALE NSW 2350

Dated: 31 August 2023



# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE 52-WEEK PERIOD ENDED 27 JUNE 2023	Note	2023 \$	2022 \$
Revenue	2	28,630,762	21,182,693
Other income	3	(216,327)	761,025
Interest revenue calculated using the effective interest method		26,582	676
Administrative expenses		(775,937)	(562,095)
Cost of Sales	4	(2,725,007)	(1,891,232)
Depreciation expense	4	(1,884,949)	(1,875,800)
Employee benefits expense		(8,050,944)	(6,553,173)
Entertainment costs		(584,201)	(317,533)
Finance costs		(473,344)	(783,522)
Marketing expenses		(1,250,301)	(699,401)
Occupancy Costs		(2,416,876)	(1,800,290)
Operating costs		(4,908,947)	(3,706,638)
Other expenses	4	(465,866)	(308,801)
<b>Surplus before income tax expense</b>		<b>4,904,645</b>	<b>3,445,909</b>
Income tax expense	1(b), 6	-	-
<b>Surplus after income tax expense for the year attributable to members</b>		<b>4,904,645</b>	<b>3,445,909</b>
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive income for the year attributable to members</b>		<b>4,904,645</b>	<b>3,445,909</b>

## STATEMENT OF FINANCIAL POSITION

FOR THE 52-WEEK PERIOD ENDED 27 JUNE 2023	Note	2023 \$	2022 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	5,647,749	7,380,841
Trade and other receivables	8	323,375	366,404
Inventories	9	224,263	208,911
Other current assets	11	982,227	658,084
<b>TOTAL CURRENT ASSETS</b>		<b>7,177,614</b>	<b>8,614,240</b>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	12	41,977,670	42,706,960
Investments and other financial assets	10	100,000	100,000
Investment property	13	307,136	308,923
Right of use assets	15	323,113	224,052
Intangible assets	14	983,615	983,615
<b>TOTAL NON CURRENT ASSETS</b>		<b>43,691,534</b>	<b>44,323,550</b>
<b>TOTAL ASSETS</b>		<b>50,869,148</b>	<b>52,937,790</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	16	1,902,693	2,664,795
Contract liabilities	17	700,244	576,910
Financial liabilities	20	1,022,857	390,146
Lease liabilities	18	183,000	128,088
Employee benefits	21	1,203,796	1,163,152
<b>TOTAL CURRENT LIABILITIES</b>		<b>5,012,590</b>	<b>4,923,091</b>
<b>NON CURRENT LIABILITIES</b>			
Financial liabilities	20	6,000,000	13,021,750
Lease liabilities	18	44,356	85,392
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>6,044,356</b>	<b>13,107,142</b>
<b>TOTAL LIABILITIES</b>		<b>11,056,946</b>	<b>18,030,233</b>
<b>NET ASSETS</b>		<b>39,812,202</b>	<b>34,907,557</b>
<b>EQUITY</b>			
Retained surpluses		39,812,202	34,907,557
<b>TOTAL EQUITY</b>		<b>39,812,202</b>	<b>34,907,557</b>



# STATEMENT OF CHANGES IN EQUITY

FOR THE 52-WEEK PERIOD ENDED 27 JUNE 2023	Retained Surpluses \$	Total \$
<b>Balance at 29 June 2021</b>	31,461,648	31,461,648
Surplus after income tax expense	3,445,909	3,445,909
Total other comprehensive income for the period	-	-
<b>Balance at 28 June 2022</b>	<u>34,907,557</u>	<u>34,907,557</u>
Surplus after income tax expense	4,904,645	4,904,645
Total other comprehensive income for the period	-	-
<b>Balance at 27 June 2023</b>	<u>39,812,202</u>	<u>39,812,202</u>

# STATEMENT OF CASH FLOWS

FOR THE 52-WEEK PERIOD ENDED 27 JUNE 2023	Note	2023 \$	2022 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		31,768,388	23,942,248
Payments to suppliers and employees		(25,185,485)	(17,384,028)
Interest received		26,582	676
Interest and other finance costs paid		(448,825)	(773,535)
Net cash provided by operating activities	22(b)	<u>6,160,660</u>	<u>5,785,361</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		261,200	390,879
Purchase of property, plant and equipment		(1,534,035)	(1,466,937)
Net cash used in investing activities		<u>(1,272,835)</u>	<u>(1,076,058)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		-	256,176
Repayment of borrowings		(6,620,917)	(2,616,200)
Net cash used in financing activities		<u>(6,620,917)</u>	<u>(2,360,024)</u>
Net (decrease)/ in cash held		(1,733,092)	2,349,279
Cash at the beginning of the financial period		<u>7,380,841</u>	<u>5,031,562</u>
Cash at the end of the financial period	7	<u>5,647,749</u>	<u>7,380,841</u>

## NOTES TO THE FINANCIAL STATEMENTS

### Note 1: Statement of Significant Accounting Policies

#### Basis of Preparation

The financial statements cover West Tamworth League Club Ltd as an individual entity. West Tamworth League Club Ltd is a Public Company limited by guarantee, incorporated and domiciled in Australia.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

#### Historical cost convention

The financial statements, except for the cash flow information, 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

#### Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 1.

The financial statements were authorised for issue on 31 August 2023 by the directors of the Company.

#### Accounting Policies

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

## **(a) Revenue**

The Company recognises revenue as follows:

### Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

### Sale of Goods

Revenue is recognised on transfer of goods to the customer including bar, coffee shop and catering sales as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

### Rendering of Services

Revenue from a contract to provide services including poker machines, Keno, raffles, TAB and bingo are recognised over time as the services are rendered based on either a fixed price or an hourly rate.

### Hotel and entertainment revenue

Hotel and entertainment revenues are recognised as the service is performed, which for hotel revenue is over the term of the customer's stay and for entertainment is when the event is held. Deposits in advance and bookings are recorded as contract liabilities in trade and other payables until the service is performed.

### Interest revenue

Interest is recognised when received.

### Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over time during the financial year. Where the Company receives membership fees for subsequent financial years this is recognised as a contract liability.

### Other Revenue

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

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

## **(b) Income Tax**

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

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

Current income tax expense charged to the profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right to set-off exists and is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, and the deferred tax assets and liabilities relates to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.



### **(c) Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

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

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

### **(d) Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

### **(e) Property, Plant and Equipment**

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

#### **Property**

Freehold land and buildings are shown at their cost less, where applicable, any accumulated depreciation and impairment losses.

#### **Plant and equipment**

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

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

Buildings and Improvements 1%      Plant and equipment 5.0 - 33.3%

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

### **(f) Intangibles**

#### **Poker Machine Entitlements**

The Company, as a result of state legislation, received for no cost, poker machine entitlements for those machines it held at the time the legislation was enacted. These entitlements can be sold should the Company decide to reduce or cease its poker machine activities. The Company has not recorded these initial poker machine entitlements in the financial statements as there was no fair value on acquisition of these entitlements and there is not a sufficiently deep and active market to determine changes in fair value as required by accounting standards.

The Company has subsequently acquired a number of poker machine entitlements which were recognised at cost upon acquisition. In the 2017 financial year a number of entitlements were acquired for nil consideration as a result of the amalgamation with the Tamworth Tennis Club. As required by accounting standards, their acquisition fair value was determined by a broker involved in poker machine entitlement trading.

Poker machine entitlements are considered to have an indefinite life and as a result entitlements acquired and capitalised since the legislation was enacted have not been amortised. Poker machine entitlements are tested for impairment annually or more frequently if events or changes in circumstances indicate that the poker machine entitlements might be impaired, and are carried at cost less accumulated impairment losses.

### **(g) Financial instruments**

#### **Recognition and initial measurement**

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component less provision for impairment.

#### **Classification and subsequent measurement**

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

##### *Impairment of trade receivables*

Impairment of trade receivables is recognised on an expected credit loss (ECL) basis. ECL are the probability weighted estimate of credit losses over the expected life of the trade receivables. A credit loss is the difference between contractual cash flows that are due, and all cash flows expected to be received. The Company uses the simplified approach to impairment where it estimates credit losses only at each reporting period based on past write offs, ageing and type of customer.

##### *Financial liabilities*

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

#### **(h) Impairment of Non-Financial Assets**

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value of its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

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

Impairment testing is performed annually for intangible assets with indefinite lives.

#### **(i) Trade and Other Payables**

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

#### **(j) Contract Liabilities**

Contract liabilities represent the Company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Company has transferred the goods or services to the customer.

#### **(k) Employee Benefits**

##### Short-term employee benefits

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

##### Other long-term employee benefits

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

##### Defined contribution superannuation expense

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

#### **(l) Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Commitments and contingencies are disclosed on a gross basis.

#### **(m) Critical accounting judgements, estimates and assumptions**

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

##### Estimation of useful lives of assets

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

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

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



### Employee Benefits Provision

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

### **(n) Investment Property**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. The Company has elected to measure investment properties at cost subsequent to acquisition.

Investment properties are depreciated on a straight line basis with an expected life of 100 years.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit and loss in the period in which the property is derecognised.

### **(o) Lease Liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option or extension 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 an extension or 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.

### **(p) New or Amended Accounting Standards and Interpretations Adopted**

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

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

### **(q) Accounting Policies, Changes in Accounting Estimates and Errors**

In order to provide more relevant reporting to the users of the financial statements and to ensure the financial statements comply with AASB 101 Presentation of Financial Statements, the allocation of some items in the Statement of Profit Loss and Other Comprehensive Income have been restated. Additionally, during a review of the 2022 financial statements, errors were found in the classification of property, plant & equipment, trade & other payables, contract liabilities and financial liabilities. As a result of this amendment and in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, the prior period accounts have been restated. What follows is the result of the restatement.

	Original 2022 \$	Effect of Restatement \$	Restated 2022 \$
<b>STATEMENT OF FINANCIAL POSITION</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment Investment property	43,239,935	(532,975)	42,706,960
Right of use assets	-	308,923	308,923
	-	224,052	224,052
<b>TOTAL NON CURRENT ASSETS</b>	<b>44,323,550</b>	<b>-</b>	<b>44,323,550</b>
<b>TOTAL ASSETS</b>	<b>52,937,790</b>	<b>-</b>	<b>52,937,790</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	2,677,683	(12,888)	2,664,795
Contract liabilities	564,022	12,888	576,910
Financial liabilities	475,538	(85,392)	390,146
Lease liabilities	-	128,088	128,088
<b>TOTAL CURRENT LIABILITIES</b>	<b>4,880,395</b>	<b>42,696</b>	<b>4,923,091</b>
<b>NON CURRENT LIABILITIES</b>			
Financial liabilities	13,149,838	(128,088)	13,021,750
Lease liabilities	-	85,392	85,392
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>13,149,838</b>	<b>(42,696)</b>	<b>13,107,142</b>
<b>TOTAL LIABILITIES</b>	<b>18,030,233</b>	<b>-</b>	<b>18,030,233</b>
<b>NET ASSETS</b>	<b>34,907,557</b>	<b>-</b>	<b>34,907,557</b>
<b>EQUITY</b>			
Reserves	6,459,878	(6,459,878)	-
Retained earnings	28,447,679	6,459,878	34,907,557
<b>TOTAL EQUITY</b>	<b>34,907,557</b>	<b>-</b>	<b>34,907,557</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>			
Revenue from contracts with customers	21,164,165	(21,164,165)	-
Cost of sales	(4,632,917)	2,741,685	(1,891,232)
Other income	765,524	(765,524)	-
Revenue	-	21,182,693	21,182,693
Other income	-	761,025	761,025
Interest revenue calculated using the effective interest method	-	676	676
Marketing expense	(579,689)	(119,712)	(699,401)
Occupancy costs	(215,331)	(1,584,959)	(1,800,290)
Administrative expenses	(2,412,040)	1,849,945	(562,095)
Entertainment costs	(329,846)	12,313	(317,533)
Operating costs	(7,018,981)	3,312,343	(3,706,638)
Other expenses	(2,524,162)	2,215,361	(308,801)
Finance costs	(770,814)	(12,708)	(783,522)
Depreciation expense	-	(1,875,800)	(1,875,800)
Employee benefits expense	-	(6,553,173)	(6,553,173)
<b>Profit before income tax expense</b>	<b>3,445,909</b>	<b>-</b>	<b>3,445,909</b>
Income tax expense	-	-	-
<b>Profit after income tax expense</b>	<b>3,445,909</b>	<b>-</b>	<b>3,445,909</b>
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>3,445,909</b>	<b>-</b>	<b>3,445,909</b>



**Note 2: Revenue**

Revenue from contracts with customers

Bar sales	3,297,963	2,261,674
Catering sales	3,298,253	2,300,684
Bottle shop sales	101,333	85,554
Poker machine net clearances	16,431,711	12,866,373
Gaming commissions	106,165	87,131
Bingo & raffle income	534,623	377,313
Concert ticket sales	293,459	170,013
Keno income	193,832	164,020
Other revenue	313,372	388,874
Membership subscriptions	114,825	104,012
Hotel revenue	2,781,554	1,920,411
Rental income	19,600	13,955
Sponsorships	275,983	201,949
Events	619,140	47,254
Rebates	248,949	189,654
Total revenue from contracts with customers	28,630,762	21,178,871
Other revenue		
Other income	-	3,822
Total other revenue	-	3,822
Total revenue	28,630,762	21,182,693
Disaggregation of revenue		
Timing of revenue recognition		
Goods transferred at a point in time	24,576,481	18,108,864
Service transferred over time	4,054,281	3,070,007
	28,630,762	21,178,871

**Note 3: Other Income**

Gain/(loss) on sale of assets	(265,656)	116,593
COVID-19 subsidies	-	644,432
Insurance recoveries	49,329	-
Total other income	(216,327)	761,025

**Note 4: Expenses**

Profit before income tax includes the following specific expenses:

Cost of sales	2,725,007	1,891,232
Depreciation expense	1,884,949	1,875,800
Salary and wages	6,415,357	5,191,056
Superannuation	684,558	554,993
Interest paid to banks	465,866	308,801

**Note 5: Discontinued Operations**

In May 2023 the Company contracted out bistro operations to an external party.

The financial performance of the discontinued operation to the date of contract which is included in profit/loss from discontinued operations in the income statement is as follows:

Revenue	1,486,143
Expenses	(1,496,318)
Results from operating activities	(10,175)
Income tax	-
Profit/(loss) from discontinued operations, net of tax	(10,175)

**Note 6: Income Tax Expense**

(a) The prima facie tax on surplus from ordinary activities before income tax is reconciled to the income tax as follows:

Prima facie tax payable on surplus before income tax at 25% (2022: 25%)	1,226,161	861,477
Deduct: Tax effect of;		
Impact of change in tax rate on carried forward losses	-	83,113
Principal of mutuality adjustment and permanent differences	(855,224)	(866,821)
Utilisation of carried forward tax losses	(370,937)	(77,769)
	<u>-</u>	<u>-</u>
Income tax expense/(revenue) attributable to the Company	<u>-</u>	<u>-</u>

The Company has unrealised tax losses of \$1,631,723 (2022: \$2,002,660) tax rate of 25% (2022: 25%). Deferred tax assets and liabilities have not been taken up, as it is not probable that these losses will be utilised in future years.

**Note 7: Cash and Cash Equivalents**

	2023 \$	2022 \$
Cash on hand	651,126	588,696
Cash at bank	1,875,289	2,551,849
Short-term deposits	3,121,334	4,240,296
	<u>5,647,749</u>	<u>7,380,841</u>

**Note 8: Trade and Other Receivables**

## CURRENT

Trade receivables	323,375	366,404
	<u>323,375</u>	<u>366,404</u>

**FOR THE 52-WEEK PERIOD ENDED 27 JUNE 2023****Note 9: Inventories**

## CURRENT

Stock on Hand, at cost	224,263	208,911
	<u>224,263</u>	<u>208,911</u>

**Note 10: Investments and Other Financial assets**

## NON CURRENT

## (a) Financial assets at amortised cost

Share subscription agreement	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

**Note 11: Other Assets**

## CURRENT

Prepayments	982,227	658,084
	<u>982,227</u>	<u>658,084</u>

**Note 12: Property, Plant & Equipment**

## Land and Buildings (at cost)

Capital works in progress	733,364	-
Freehold land	1,000,000	1,000,000
Buildings	35,405,945	35,405,945
Leasehold improvements	4,101,945	4,415,595
Less: Accumulated depreciation	(4,875,079)	(4,497,168)
	<u>34,632,811</u>	<u>35,324,372</u>
Total Land and Buildings	<u>36,366,175</u>	<u>36,324,372</u>

## Plant and Equipment (at cost)

Plant and equipment	20,883,341	21,066,083
Less: Accumulated depreciation	(15,428,480)	(14,840,129)
	<u>5,454,861</u>	<u>6,225,954</u>
Crockery, glass & linen	156,634	156,634
	<u>156,634</u>	<u>156,634</u>
Total Plant and Equipment	<u>5,611,495</u>	<u>6,382,588</u>
Total Property, Plant and Equipment	<u>41,977,670</u>	<u>42,706,960</u>

(a) Movements in carrying amounts

	FOR THE 52-WEEK PERIOD ENDED 27 JUNE 2023	Land and Buildings \$	Plant and Equipment \$	Total \$
Balance at the beginning of the year		36,324,372	6,382,588	42,706,960
Additions		733,364	800,944	1,534,308
Disposals		(294,436)	(232,936)	(527,372)
Depreciation expense		(397,125)	(1,339,101)	(1,736,226)
Carrying amount at the end of the year		<u>36,366,175</u>	<u>5,611,495</u>	<u>41,977,670</u>

	FOR THE 52-WEEK PERIOD ENDED 28 JUNE 2022	Land and Buildings \$	Plant and Equipment \$	Total \$
Balance at the beginning of the year		36,711,057	6,901,317	43,612,374
Additions		12,906	1,229,959	1,242,865
Disposals		-	(274,266)	(274,266)
Depreciation expense		(399,591)	(1,474,422)	(1,874,013)
Carrying amount at the end of the year		<u>36,324,372</u>	<u>6,382,588</u>	<u>42,706,960</u>

(b) No impairment has been recognised in respect of plant and equipment.

(c) Core and non-core property

Core property is defined as any real property owned by the Company that comprises the defined premises of the club or any facility provided by the club for the use of its members and their guests.

Pursuant to section 41E of the Registered Clubs Act 1976, the following properties are considered core property of West Tamworth League Club Limited:

- 1) Wests Diggers, Lot 1 DP 1142453, 4 Kable Avenue, Tamworth NSW 2340
- 2) West Tamworth League Club, Mercure Tamworth and The Event Centre, Lot 2 DP 815862, 58 Phillip Street, West Tamworth NSW 2340

The Company holds one non-core property, Lot 18 DP 21859, 89 Phillip Street, West Tamworth NSW 2340

FOR THE 52-WEEK PERIOD ENDED 27 JUNE 2023	2023 \$	2022 \$
<b>Note 13: Investment Property</b>		
Land and Buildings (at cost)		
Freehold land	<u>137,000</u>	<u>137,000</u>
Buildings	<u>179,158</u>	<u>179,158</u>
Less: Accumulated depreciation	<u>(9,022)</u>	<u>(7,235)</u>
	<u>170,136</u>	<u>171,923</u>
Total Land and Buildings	<u>307,136</u>	<u>308,923</u>

(a) Movements in carrying amounts

	FOR THE 52-WEEK PERIOD ENDED 27 JUNE 2023	Land and Buildings \$	Total \$
Balance at the beginning of the year		308,923	308,923
Additions		-	-
Disposals		-	-
Depreciation expense		(1,787)	(1,787)
Carrying amount at the end of the year		<u>307,136</u>	<u>307,136</u>

	FOR THE 52-WEEK PERIOD ENDED 28 JUNE 2022	Land and Buildings \$	Total \$
Balance at the beginning of the year		310,710	310,710
Additions		-	-
Disposals		-	-
Depreciation expense		(1,787)	(1,787)
Carrying amount at the end of the year		<u>308,923</u>	<u>308,923</u>

(b) Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. The Company has elected to measure investment properties at cost subsequent to acquisition.

(c) Operating Leases

Investment properties are either leased to third parties on operating leases or are vacant. Rental income of \$19,600 (2022: \$13,955) is shown within revenue.

Although the risks associated with rights that the Company retains in underlying assets are not considered to be significant, the Company employs strategies to further minimise these risks. For example, ensuring all contracts include clauses requiring the lessee to compensate the Company when a property has been subjected to excess wear-and-tear during the lease term.

Future minimum lease rentals are as follows:

Within 1 year	20,800	19,600
1 - 2 years	-	-
2 - 3 years	-	-
3 - 4 years	-	-
4 - 5 years	-	-
More than 5 years	-	-
Total	<u>20,800</u>	<u>19,600</u>

**Note 14: Intangible Assets**

Licenses & franchises (at cost)	15,000	15,000
Poker machine entitlements (at cost)	968,615	968,615
	<u>983,615</u>	<u>983,615</u>

**Note 15: Right-of-Use Assets**

Plant and Equipment Right-of-Use		
Furniture and Equipment	483,614	256,156
Less: Accumulated depreciation	(160,501)	(32,104)
Total Plant and Equipment Right-of-Use Assets	<u>323,113</u>	<u>224,052</u>
Total Right-of-use Assets	<u>323,113</u>	<u>224,052</u>

(a) Movements in carrying amounts

	FOR THE 52-WEEK PERIOD ENDED 27 JUNE 2023	Plant and Equipment \$	Total \$
Balance at the beginning of the period		224,052	224,052
Additions		270,134	270,134
Transfers		-	-
Disposals		(25,503)	(25,503)
Depreciation expense		(145,570)	(145,570)
Carrying amount at the end of the period		<u>323,113</u>	<u>323,113</u>

	FOR THE 52-WEEK PERIOD ENDED 28 JUNE 2022	Plant and Equipment \$	Total \$
Balance at the beginning of the period		167,216	167,216
Additions		256,176	256,176
Transfers		-	-
Disposals		(167,236)	(167,236)
Depreciation expense		(32,104)	(32,104)
Carrying amount at the end of the period		<u>224,052</u>	<u>224,052</u>

(b) The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

(c) The Company also assesses the right-of-use asset for impairment when such indicators exist. No impairment has been recognised in respect of right-of-use assets.

The Company has a lease with Tamworth Regional Council for the Scully Park land and a lease with Tamworth Recreation Trust for The Courts.

**Note 16: Trade and Other Payables**

## CURRENT

Unsecured liabilities;

Trade payables	758,219	881,865
Sundry payables and accrued expenses	1,144,474	1,782,930
	<u>1,902,693</u>	<u>2,664,795</u>

**Note 17: Contract Liabilities**

## CURRENT

Hotel & event income in advance	563,274	435,337
Members subscriptions held in advance	123,208	128,685
Poker machine jackpot liability	13,762	12,888
	<u>700,244</u>	<u>576,910</u>



**Note 18: Leases**

Lease liabilities are presented in the statement of financial position as follows:

## CURRENT

Lease liability	<u>183,000</u>	<u>128,088</u>
Total Current Lease liability	<u>183,000</u>	<u>128,088</u>

## NON-CURRENT

Lease liability	<u>44,356</u>	<u>85,392</u>
Total Non-Current Lease liability	<u>44,356</u>	<u>85,392</u>
Total Lease liability	<u>227,356</u>	<u>213,480</u>

The Company has leases for several poker machines. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and asset. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see Note 12).

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Company is prohibited from selling or pledging the underlying leased assets as security.

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use asset	No of right-of-use assets lease	Range of remaining term	Average remaining lease term	No of lease with extension options	No of leases with options to purchase	No of leases with variable payments linked to an index	No of leases with termination options
Poker machines	1	0.5 - 1 Years	1 Years	-	-	-	-

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 27 June 2023 were as follows:

	Minimum lease payments due						Total
	Within 1 year \$	1-2 years \$	2-3 years \$	3-4 years \$	4-5 years \$	After 5 years \$	
<b>27 June 2023</b>							
Lease payments	183,000	44,356	-	-	-	-	227,356
Finance charges	-	-	-	-	-	-	-
Net Present Values	<u>183,000</u>	<u>44,356</u>	-	-	-	-	<u>227,356</u>
<b>28 June 2022</b>							
Lease payments	128,088	85,392	-	-	-	-	213,480
Finance charges	-	-	-	-	-	-	-
Net Present Values	<u>128,088</u>	<u>85,392</u>	-	-	-	-	<u>213,480</u>

**Note 19: Tax assets and liabilities**

## (a) Liabilities

## CURRENT

Income tax	<u>-</u>	<u>-</u>
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## NON-CURRENT

Deferred tax liability	<u>-</u>	<u>-</u>
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## (b) Assets

## CURRENT

Income tax	<u>-</u>	<u>-</u>
------------	----------	----------

## NON-CURRENT

Deferred tax asset	<u>-</u>	<u>-</u>
--------------------	----------	----------

**Note 20: Financial Liabilities**

## CURRENT

## Secured liabilities:

Bank loan	<u>1,022,857</u>	<u>390,146</u>
	<u>1,022,857</u>	<u>390,146</u>

## NON CURRENT

## Secured liabilities:

Bank loan	<u>6,000,000</u>	<u>13,021,750</u>
	<u>6,000,000</u>	<u>13,021,750</u>
	<u>7,022,857</u>	<u>13,411,896</u>

## (a) Total secured liabilities:

Bank loan	<u>7,022,857</u>	<u>13,411,896</u>
	<u>7,022,857</u>	<u>13,411,896</u>

## (b) The carrying amounts of non-current assets pledged as security are:

First mortgage over freehold land and buildings	<u>36,366,175</u>	<u>36,633,295</u>
	<u>36,366,175</u>	<u>36,633,295</u>

## (c) The unused finance facilities are:

Bank overdraft	100,000	100,000
Bank Loan	4,081,965	-

**Note 21: Employee Benefits**

## CURRENT

## Annual leave

## Long service leave

603,847	548,411
<u>599,949</u>	<u>614,741</u>
<u>1,203,796</u>	<u>1,163,152</u>

**Provision for employee benefits**

A provision has been recognised for employee entitlements relating to annual and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

**Note 22: Cash Flow Information**

## (a) Reconciliation of cash

Cash and cash equivalents	<u>5,647,749</u>	<u>7,380,841</u>
	<u>5,647,749</u>	<u>7,380,841</u>

## (b) Reconciliation of cash flow from operations with

Surplus after income tax expense	4,904,645	3,445,909
Non cash flows in profit from ordinary activities:		
Depreciation and amortisation	1,884,949	1,875,800
Net (gain)/loss on sale of fixed assets	265,656	(116,593)

## Changes in Assets and Liabilities:

(Increase)/decrease in trade and other receivables	43,029	(232,883)
(Increase)/decrease in inventories	(15,352)	6,036
(Increase)/decrease in prepaid expenses	(324,143)	(106,079)
Increase/(decrease) in creditors and accruals	(762,102)	745,695
Increase/(decrease) in employee benefits	40,644	(44,440)
Increase/(decrease) in contract liabilities	<u>123,334</u>	<u>211,916</u>
Cash flows from operations	<u>6,160,660</u>	<u>5,785,361</u>

## (c) Non-cash Financing and Investing Activities

There were no non-cash financing or investing activities during the period.

## Note 23: Financial Instruments

### Financial risk management policies

The Company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable and bank loans. The main purpose of those financial instruments is to raise finance for the Company's operations.

The Board's overall risk management strategy seeks to meet the Company's financial targets, whilst minimising potential adverse effects on financial performance. The Board is focused on debt repayment and interest expense reduction as well as maintaining healthy cash reserves and borrowing capacity.

The Company does not have any derivative instruments at 27 June 2023 (28 June 2022: Nil).

The Company's main financial risks relate to credit, liquidity and interest rates discussed below.

#### (a) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The profile of the Club's receivables credit risk at 27 June 2023 was as follows:

	2023	2022
Percentage of sundry (unsecured) receivables		
- Current	76.73%	81.60%
- Past due	23.27%	18.40%

Although the Company has a portion of receivables past due, the Company does not consider there to be sufficient risk of collection of these receivables to require a doubtful debts provision.

The Company does not have any material credit risk exposure to any single receivable or group of receivables.

#### (b) Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted Average		Floating Interest Rate		Non-Interest Bearing	
	As at 27 June 2023	As at 28 June 2022	As at 27 June 2023	As at 28 June 2022	As at 27 June 2023	As at 28 June 2022
	%	%	\$	\$	\$	\$
Financial assets:						
Cash and cash equivalents	1.0	-	4,996,623	6,792,145	651,126	588,696
Loans and receivables	-	-	-	-	323,375	366,404
<b>Total</b>			<b>4,996,623</b>	<b>6,792,145</b>	<b>974,501</b>	<b>955,100</b>
Financial liabilities:						
Trade and other payables	-	-	-	-	1,902,693	2,664,795
Borrowings	5.7	5.2	7,022,857	13,411,896	-	-
Lease liabilities			-	-	227,356	213,480
<b>Total</b>			<b>7,022,857</b>	<b>13,411,896</b>	<b>2,130,049</b>	<b>2,878,275</b>

	Weighted Average		Within 1 year		1 to 5 years	
	As at 27 June 2023	As at 28 June 2022	As at 27 June 2023	As at 28 June 2022	As at 27 June 2023	As at 28 June 2022
	%	%	\$	\$	\$	\$
Financial assets:						
Cash and cash equivalents	1.0	-	4,996,623	6,792,145	-	-
Loans and receivables	-	-	323,375	366,404	-	-
<b>Total</b>			<b>5,319,998</b>	<b>7,158,549</b>	<b>-</b>	<b>-</b>
Financial liabilities:						
Trade and other payables	-	-	1,902,693	2,664,795	-	-
Borrowings	5.7	5.2	1,022,857	390,146	6,000,000	13,021,750
Lease liabilities			227,356	213,480	-	-
<b>Total</b>			<b>3,152,906</b>	<b>3,268,421</b>	<b>6,000,000</b>	<b>13,021,750</b>

	Weighted Average		Total	
	As at 27 June 2023 %	As at 28 June 2022 %	As at 27 June 2023 \$	As at 28 June 2022 \$
Financial assets:				
Cash and cash equivalents	1.0	-	4,996,623	6,792,145
Loans and receivables	-	-	323,375	366,404
<b>Total</b>			<b>5,319,998</b>	<b>7,158,549</b>
Financial liabilities:				
Trade and other payables	-	-	1,902,693	2,664,795
Borrowings	5.7	5.2	7,022,857	13,411,896
Lease liabilities	-	-	227,356	213,480
<b>Total</b>			<b>9,152,906</b>	<b>16,290,171</b>

#### (c) Liquidity risk

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained. Further, the Company maintains significant cash on hand and at bank to manage day to day operations.

	2023	2022
Available capital at end of financial year:		
Cash and cash equivalents	5,647,749	7,380,841
Unused finance facilities	4,181,965	100,000
	<b>9,829,714</b>	<b>7,480,841</b>

#### (d) Net fair values

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

#### (e) Sensitivity analysis

##### *Interest rate risk*

The Company's main interest rate risk arises from long-term borrowings. An official increase/decrease in interest rates of 100 (2022: 100) basis points would have an adverse/favourable effect on profit before tax of \$70,597 (2022: \$94,554) per annum.

### Note 25: Capital Management

Management controls the capital of the Company to ensure that adequate cash flows are generated to fund its operations and that returns from investments are maximised. The Company's capital consists of financial assets and liabilities. Management effectively managed the Company's capital by assessing the Company's financial risks and responding to changes in these risks. Responses may include the consideration of debt levels and maintaining adequate cash reserves. There has been no change in the capital management strategy of the Company since the previous year.

### Note 26: Capital Commitments

#### (a) Capital commitments

	2023	2022
Wests Refurbishment	1,485,000	-
	<b>1,485,000</b>	<b>-</b>

On 4 July 2022 the Club entered an agreement with Paynter Dixon for the design, documentation, co-ordination and authority submissions of a Development Application, Complying Development Application and development of Construction Certificate Documentation relating to a refurbishment of West Tamworth League Club.

As at 27 June 2023 and 28 June 2022, the Company had not engaged in any other capital commitments.

### Note 27 : Events After the End of the Reporting Period

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



## Note 28: Related Party Transactions

### Key Management Personnel

The totals of remuneration paid to key management personnel (KMP) during the year are as follows:

	Short-term benefits \$	Post-employment benefits \$	Total \$
<b>2023</b>			
Total Compensation	<u>680,948</u>	<u>68,245</u>	<u>749,193</u>
<b>2022</b>			
Total Compensation	<u>593,096</u>	<u>57,516</u>	<u>650,612</u>

### Other 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. Executive managers are approved by the Board of the Company.

The following transactions occurred with related parties:

Employee expenses relating to close family members \$103,505 (28 June 2022: \$84,098).

## Note 29: Company Details

The registered office of the Company is:

West Tamworth League Club Limited  
58 Phillip Street  
West Tamworth NSW 2340

The principal places of business are:

West Tamworth League Club Limited  
58 Phillip Street  
West Tamworth NSW 2340

West Diggers  
4 Kable Avenue  
Tamworth NSW 2340

The Courts @ East  
102-128 Napier Street  
East Tamworth NSW 2340

Mercure Tamworth  
Kent Street  
West Tamworth NSW 2340

## DIRECTORS' DECLARATION

The directors of the Company declare that:

- the attached financial statements and notes are in accordance with the Corporations Act 2001, and:
  - comply with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - give a true and fair view of the financial position as at 27 June 2023 and of the performance for the financial period 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.

Signed in accordance with a resolution of the Board of Directors



James Treloar  
President



Terry Psarakis  
Vice President

Dated: 31 August 2023

# **INDEPENDENT AUDITORS' REPORT**

## **Opinion**

We have audited the financial report of West Tamworth League Club Ltd (the Company), which comprises the statement of financial position as at 27 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (a) giving a true and fair view of the Company's financial position as at 27 June 2023 and of its financial performance for the period then ended; and
- (b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

## **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of 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 comprises the information contained in the Company's Directors Report for the period ended 27 June 2023, but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of the Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards 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 ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Report**

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 the audit.

**CROWE AUDIT AUSTRALIA**



**Kylie Ellis**  
**Partner**

Registered Company Auditor (ASIC RAN 483424)  
134 Taylor St, Armidale NSW 2350

Dated: 14 September 2023

# NOTICE OF AGM

WEST TAMWORTH LEAGUE CLUB LIMITED  
ACN 001 037 832

**NOTICE** is hereby given of the Annual General Meeting of **WEST TAMWORTH LEAGUE CLUB LIMITED** to be held on **Tuesday 28 November 2023** commencing at **6:30pm** at the premises of the Club, 58 Phillip Street, West Tamworth, New South Wales.

## AGENDA

The following business will be dealt with at the Annual General Meeting:

1. MEETING OPENING
2. APOLOGIES
3. CONFIRMATION of the minutes of the previous Annual General Meeting held on Tuesday 29 November 2022.
4. REPORTS: To lay the Directors' Report, Auditors' Report and Financial Report for the 52-week period ended 27 June 2023 before the meeting. Please note: These reports can be viewed in PDF format on the Club's website [www.wtlc.com.au](http://www.wtlc.com.au) or on written request to the chief executive officer – company secretary.
5. ORDINARY RESOLUTIONS: To consider and if thought fit pass **two (2)** Ordinary Resolutions.
6. SPECIAL RESOLUTION: To consider and if thought fit pass **one (1)** Special Resolution.
7. ELECTION RESULTS FOR THE BOARD OF DIRECTORS
8. GENERAL BUSINESS (of which due notice has been given) that may be brought before the meeting in accordance with the Club's Constitution.
9. MEETING CLOSURE

## QUESTIONS ON THE REPORTS

Members who have questions in relation to any report referred to in Item 4 are requested to submit their questions in writing to the chief executive officer – company secretary by **5:00pm** on **Friday 17 November 2023**. This will allow sufficient time for information to be gathered or research undertaken. If questions are not submitted in this manner, the Club may not be able to provide a complete answer at the Annual General Meeting.

## PROCEDURAL MATTERS FOR RESOLUTIONS

1. **ORDINARY RESOLUTIONS:** To be passed, an Ordinary Resolution must receive votes in favour from not less than a majority (50% + 1) of those members who, being eligible to do so, vote in person on the Ordinary Resolution at the meeting.
2. **SPECIAL RESOLUTIONS:** To be passed, a Special Resolution must receive votes in favour from not less than three quarters (75%) of those members who, being eligible to do so, vote in person on the Special Resolution at the meeting.
3. The Resolutions should be read in conjunction with the notes which follow the Resolutions.
4. **VOTING ON RESOLUTIONS:** Financial Full Fee, Pensioner, Tamworth RSL, Tamworth Tennis, Honorary Life and Gold Life members are eligible to vote on the Resolutions.
5. Under the Registered Clubs Act, members who are employees of the Club are not entitled to vote and proxy voting is prohibited.
6. Amendments to a Special Resolution (other than minor typographical corrections which do not change the substance or effect of the Resolution) will not be permitted from the floor of the meeting.
7. The Board of Directors recommends each of the Resolutions to members.



## FIRST ORDINARY RESOLUTION

That the members hereby:

- (a) approve that the Club's Board of Directors are entitled to receive the following benefits for the twelve (12) month period preceding the 2024 Annual General Meeting:
  - (i) reasonable food and refreshments for each Director at Board or Committee meetings.
  - (ii) payment by the Club of reasonable costs or expenses of attending functions whilst representing the Club (with spouses or partners where appropriate) or in relation to such other duties including entertainment of special guests of the Club and other promotional activities as may be approved from time to time by the Board.
  - (iii) reasonable costs or expenses in relation to the professional development and education of Directors, including (but not limited to):
    - (1) attending meetings of associations of which the Club is a member or Directors are members;
    - (2) attending conferences, seminars, lectures, trade displays, organised study tours, fact finding tours and other similar events (whether held within Australia or overseas) as may be determined by the Board from time to time;
    - (3) attending other registered Clubs or gaming venues for the purpose of observing their facilities and methods of operation;
    - (4) attending conferences and training sessions (including mandatory training) in relation to Director's roles and responsibilities under the *Registered Clubs Act 1976*, the *Corporations Act 2001* and any other relevant legislation.
  - (iv) payment by the Club for provision of a blazer and associated apparel.
- (b) acknowledge that the benefits in paragraph (a) are not available for members generally but are only for those who are Directors of the Club (and their spouses or partners in the circumstances set out in paragraph (a)(ii) above).

### Explanatory Note

1. The First Ordinary Resolution is to have the members approve expenditure by the Club on Directors (and their spouses or partners in certain circumstances) in respect of the matters set out in the First Ordinary Resolution.
2. Included in the First Ordinary Resolution is the cost of Directors attending seminars, lectures, trade displays and other similar events to be kept abreast of current trends and developments which may have a significant bearing on the Club.

## SECOND ORDINARY RESOLUTION

That the members hereby approve:

- (a) payment of the following honorariums (inclusive of any superannuation guarantee levy if payable) to the Club's Directors for services as Directors for the twelve (12) month period preceding the 2023 Annual General Meeting:
  - (i) President - \$7000;
  - (ii) Vice President - \$3500; and
  - (iii) Directors (including any Board appointed Directors) - \$2000 each.
- (b) such honorariums to be paid on a pro-rata basis if the President, Vice President or a Director only held office for part of the twelve (12) month period preceding the 2023 Annual General Meeting.

### Explanatory Note

1. The Second Ordinary Resolution is to have the members approve honorariums for the Directors of the Club for duties to be performed by them during the twelve (12) month period preceding the 2023 Annual General Meeting.
2. The honorariums will be paid on a pro-rata basis which means that if the President, Vice President or an Ordinary Director (including a Board appointed Director) only held office for part of the year, that person will only receive a proportional part of the honorarium.

## SPECIAL RESOLUTION

That the members hereby approve Kevin O'Toole member no. 3514 be admitted as an Honorary Life member of West Tamworth League Club Limited.

### Notes to Members on Special Resolution

1. A Honorary Life member shall be any member who has rendered long or meritorious service to the Club or for any other commendable reason.
2. Honorary Life membership may only be conferred at a general meeting.
3. A proposal from Gregory O'Toole member no. 24566 and Peter Gambrill member no. 11138 nominating Kevin O'Toole for Honorary Life membership was received on 14 June 2023.
4. The nomination was approved by the Board of Directors on 29 June 2023.
5. A Honorary Life member is relieved from the payment of any annual subscription.

DATED: 31 August 2023  
BY direction of the Board



Rod Laing  
Chief Executive Officer – Company Secretary



**WEST TAMWORTH LEAGUE CLUB**  
PHILLIP STREET, WEST TAMWORTH NSW  
02 6765 7588

**WESTS' DIGGERS**  
KABLE AVENUE, TAMWORTH NSW  
02 6766 4661

**THE COURTS @ EAST**  
CNR NAPIER STREET & RODERICK STREET, EAST TAMWORTH NSW  
02 6766 2070

**MERCURE TAMWORTH**  
KENT STREET, WEST TAMWORTH NSW  
02 6765 1200

**PO BOX 3040 WEST TAMWORTH NSW 2340**