



# South Grafton District Ex-Servicemen's Club Co-operative Limited

## 2023 Annual Report

### OFFICE BEARERS

<b>President:</b>	Christiaan Gosewisch
<b>Vice President:</b>	June Allen
<b>Directors:</b>	Andrew Collen Mavis Tago Barbara Hindom Janet Howell Chris Metcalf
<b>Secretary Manager:</b>	Steven Fraser
<b>Solicitors:</b>	Piggott Stinson & Thompson Greer
<b>Accountants:</b>	Crowe
<b>Auditor:</b>	JG Audit & Assurance

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Notice is hereby given that the Annual General Meeting of South Grafton District Ex-Servicemen's Club Co-Operative Limited will be held at the registered office of the Co-operative, 2 Wharf Street South Grafton, on Sunday 19th May 2024 commencing at 10.00AM.

#### Items of Business

1. Apologies
2. To confirm the minutes of the last Annual General Meeting dated 1st May 2023.
3. Business arising from previous minutes.
4. To receive, consider and adopt the Financial Report of the Co-operative for the year ending 31<sup>st</sup> December 2023 and the reports by Directors and Auditors thereon.
5. To consider and if thought fit approve the Ordinary Resolutions as set out in this booklet.
6. To elect President, Vice President and Directors for the ensuing year.
7. To determine and fix any honorariums. Currently, honorariums are as follows:

President:	\$ 5000 per annum
Vice President:	\$ 2,750 per annum
Directors:	\$ 600 per annum
8. To receive and deal with any business for which notice in writing has been given to the Chief Executive Officer in accordance with the rules of South Grafton District Ex-Servicemen's Club Co-operative Limited.
9. Member's recommendation to the Board of Directors.

**Members, please note that any Member who may have any questions relating to any matter contained within the financial statements or any question which may require investigation, please put your question in writing to the Chief Executive Officer at least seven (7) days prior to the meeting to enable a considered response to be provided at the Annual General Meeting.**

#### Ordinary Resolution

That pursuant to the Registered Clubs Act, the Members hereby approve that each of the Directors are to be entitled to the following benefits over the next twelve (12) months and the Members acknowledge that these benefits are not available to Members generally, but only those who are Directors (and spouses of directors) of the Club:

- (i) Directors are to be reimbursed for any reasonable out of pocket expenses incurred during the course of acting for or on behalf of the Club.
- (ii) The reasonable costs of Directors for meals and/or drinks covering Board Meetings attendance and associated activities.
- (iii) The reasonable costs of travel, accommodation and meals for Director attending seminars, lectures, trade displays, organised study tours, fact finding tours, Registered Club Association of New South Wales events, Club Managers Association's events and other similar events as may be determined by the Board from time to time.
- (iv) Attendance at functions, with spouses, where appropriate and required, to represent the Club.
- (v) Reasonable expenses incurred by Directors in relation to other such duties including the entertainment of special guests to the Club and other promotional activities performance by Directors subject to board approval.
- (vi) That should the Board resolve that a uniform is required for Directors, the uniform shall be provided at the Club's expenses; and
- (vii) Provision of the Board of grants and donations for charitable, community and sporting organisations.

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My fellow Directors and I would like to thank our members for their continued support during the past 12 months.

Our poker machine venues have proved a success and our dining area and caterers have done us proud with good attendances and food.

My thanks go to Suzette and Bridie for their extra efforts during the year as our then CEO Debbie's health was failing and subsequently caused Debbie's retirement.

I welcome our new CEO Steven Fraser and I am very confident he will be an asset to our Club with "vision for the future."

My sincere thanks to my Board for the effects and support and I will put myself up for reelection of our Family Club.

Regards and Thanks

Chris Gosewisch  
President

Members, it is my pleasure to present my first annual report for the financial year ending December 2023. The task to develop and strengthen the membership base is a huge challenge, however, there are signs of achieving this with more visitations and members appreciating some of the small changes applied to the culture and atmosphere within the club.

Since covid and the terrible time experienced by the club and the management, the club came through the tough times, and thank goodness there were enough financial saving to put the club in a good position. Now is the time to lift the décor and to implement efficiencies with appropriate cost saving equipment to allow us to concentrate on the issues of our members and the things that they appreciate.

We are currently designing alterations to the bar service area, which will incorporate a coffee shop and reconstruction of the cool room, and the implementation of equipment which will run more cost effectively than our current equipment. Our TAB has diminished in popularity however, which I know is important to those members who like to have the latest information. This is being addressed, however, the company I employ is currently engaged. In due course they will commence redesigning this area.

The financials for the reporting year are pleasing shows a profit of \$266,000 compared to last year's result of \$180,000. The EBITDA for the year was 25.46 % compared to the industry standard of 15%. This shows the efficiencies and cost saving that have been applied. There are however some changing aspects of the industry that will transition to some declines in revenues. Those are the introduction of restrictions on gaming machines, cashless operations in the coming years and the incumbent cost of fulfilling the requirements set by the Government. Behind the scenes we are working to minimise this effect, however, it will affect all hospitality venues.

Our catering has certainly improved, and I complement the chefs Sam, Corry and the team of waitresses who serve your meals. The introduction of Australian meals has complemented our venues' offerings.

The dedication of the Management behind the scenes, namely Suzette (Operations Manager) and Bridie (Gaming Manager) has been invaluable. I personally thank them for their guidance and for assisting me to understand the current operations. There will be new procedures once we install our Consillion Cash handling safe.

The Board of Directors has embraced the changes of reporting and are looking forward to the future designs and décor of the club. I thank the President Chris Gosewisch and Vice President June Allen and the Directors for their support and guidance through this transitional period. Members, without your support and attendance at the club the results would be vastly different, I can say you are the club, and your support is vital to accomplishing great results for the future.

Cheers

Steven C Fraser. (Chief Executive Officer.)

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**Mavis Tagoe – Member No. 1622**

I have been a director of the club for the past two years. This year I am nominating for President and Vice President also Director. I moved to South Grafton 7.5 years ago. My husband and I are both retired and have custody of my granddaughter.

I am a Christian with Christian values. I have faced many challenges in my life, and I consider myself a very honest person as well as a hard worker. I have worked as a nurse and social educator all my life. I concern myself a team player always willing to stand up to any challenge and work hard in a team setting. I pride myself on being very considerate and easy to work with others. I have been very blessed to be able to work as a volunteer with St Vincent de Paul helping and supporting people from all different walks of life. I am a very social person willing to address important issues. I look forward to assisting the club in the future.

**Christiaan Gosewisch – Member No. 2819**

As President for the past 2 years, our Club has progressed, and our amenities have improved.

Our position financially is still strong, and our present board, Management and Staff have contributed to this. As President if reelected, my aim is to see this continue and other improvements made for the benefit of our members, families and visitors so they can enjoy our venue.

**Peter Forwell – Member No. 4084**

I am Alan Peter Forwell, known as Peter Forwell, I am 74 years old truck driver retired. I have lived in South Grafton community for over 69 years my wife and I have raised four adult children. I have played an active role in many communities-based organisation from junior sporting clubs to social & fundraising organisation.

I went on to be active member South Grafton junior soccer supporting fundraising and as a key organiser of carnivals and other events. I then went on to be a founding member of the over 40's completion for the soccer to ensure there was an active community for the fathers of junior players to be involved.

As president of the truck drivers social club for many years I was responsible for growing the club's membership to its highest number and raised over \$40,000 for a fund for injured truck drivers. During this time as president, I began the annual truck parade and truckies ball held over the long weekend. This was used to raise money for local charities many successful functions resulted in secured large donations.

**Ian Bell – Member No. 1561**

I am a recently retired Asset Inspector with Essential Energy, aged 67 years.

I have lived in South Grafton for most of my adult life.

I was first elected to the board of South Services in 2009, and spent 12 years on the board, including 2 as Deputy President and 4 as President.

I would like to consider election to the board in 2024 to help continue the great work our new Secretary Manager is doing and to see our great club continue to grow and prosper.

**June Allen – Member No. 1459**

I have been a member of the South Grafton District Ex-Servicemen's Club for over 52 years; I have been a director of the club for the past 8 years. I am currently Chairperson and a playing member of the South Grafton District Ex-Servicemen's mixed social bowls club, I have also been a member on the Jacaranda Festival Committee for 21 years and have been a director on many committees during that period, I was elected President and was president for a period of 10 years until I retired from the Festival, and I was awarded Life Membership of the Jacaranda Festival.

In 2003, I was awarded Grafton's Australia Day Citizen of the year award.

The time, commitment and involvement I have with these organizations, I feel have given me the experience to represent our members as a club director and the position of Vice President.

**Janet Howell – Member No. 680**

I Moved to Grafton from Junee 8 years ago. I have worked in the hospitality industry for over 20 years, currently working two jobs. I have helped in many organisations: for example, The Salvation Army, Schools and Athletics etc.

I am a very honest down to earth person and a team player, and I am not afraid of any challenge. I feel being a director would be a great opportunity to learn different aspects of what the Club does and be able to help Members anyway I can.

**Tom Hansson – Member No. 2061**

I have run a number of companies in air conditioning and ventilation, acoustic, noise control, aluminum production consumables, bars, restaurants and farming. I have an MBA that is a master's degree in business administration and an associate degree in law. I think that with my experience, I can help to direct this Club to run as a profitable business and ensure membership growth with activities that will satisfy new and old members' wishes.

**Stephen Rodda – Member No.1234**

My name is Stephen Rodda, and I would like to express my interest for a position within the South Grafton Ex Services Club board.

I am married and have 3 Children and 10 Grandchildren ranging in age from 3 to 18, All of which live in the Clarence Valley.

I have lived in South Grafton for the past 50 years and attended South Grafton Public School and South Grafton High School.

I have been an active volunteer in local sporting clubs in the Clarence Valley volunteering my time to Netball, Soccer and South Grafton Rebels Junior and Senior Rugby league Clubs.

I have been Self Employed in the Transport industry for more than 35 years owning and operating a general freight business and then moving on to the heavy vehicle industry which I currently still own and have operated for the past 18 years. During my time in business, I have developed very valuable skills including good communication, discipline and the ability to follow policies and procedures and work collaboratively with a wide range of departments.

I am keen to contribute my knowledge, skills, experience and passion to the board and continue to make South Grafton Ex Services Club a family friendly club captivating all age groups.

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**Alan RYALL – Member No: 854**

I am seeking re-election to the board of the South Grafton District Ex-Servicemen's Club. While being on the board it has been both rewarding and very challenging. During my working career, I have held positions in the Club and Hotel Industry and the licensee and Vice President for the Grafton Show and Showground Trust. I have also completed the Clubs NSW Finance for Club Boards Course.

Over many years, I have served on many Boards and Committees including Military and Sporting associations including Treasurer for the S.G.R.S.L. Sub-Branch and the Lawrence Rodeo, also serving Sergeant in the Australian Army Reserve.

**Noel Smith – Member No. 528**

I am a local retail business owner/operator of 24 years in Grafton's C.B.D. I was born in Grafton, raised in South Grafton and worked here for over 44 years. I'm a keen sportsman and served in numerous surf lifesaving clubs locally. My business is a sponsor and supporter of several local charity, community and sporting organisations. I have been a member of "Grafton's City Centre Traders" and the "Chamber of Commerce". My business knowledge and experience will assist me to contribute to the future organising, development, promotion and growth of the club.

**Andrew Collen – Member No. 3225**

I have lived in South Grafton most of my life. I am married with 4 children & 11 grandchildren. I have been employed by the Clarence valley council for 28years 2013 to 2021 as a supervisor on civil section. For the past 3years foreman of drainage, looking after CVC's network of storm water. I have been on joint consultative committee for the council for 25 years. This has given me a great understanding of how meetings are conducted.

I am a life member of South Services soccer club, having played, coached & a past president for the past 30 years. Even winning Clarence Valley coach of the year along the way. I have always been a pro-active member of the Services Club, helping behind the scenes even before I became a director. During and after the 2013 flood I helped management and staff to help get the club re-opened. I even volunteered to cook roast (on spits) for the 250 vets while the kitchen was closed due to the flood.

I have been on the board for the past 5 years and have seen a positive change. I believe the club is moving forward for the greater future, and I would like to continue to be a part of these exciting and challenging times.





**South Grafton  
RSL Chapter  
P.O. Box 106  
Grafton, NSW, 2460.**

[southrslchapter@graftonrslsubbranch.com.au](mailto:southrslchapter@graftonrslsubbranch.com.au)

### **Report to South Grafton Ex-Services Club – AGM 2024.**

Following is an outline of the main activities of the South Grafton RSL Chapter for the 2023 – 2024 financial year.

The Chapter met on our scheduled set meeting dates at the South Grafton Ex-Services Club. We thank the Club for this facility. Most meetings were well attended; however, some members were not able to attend at all.

#### **Legacy Relay**

- The 100th Anniversary Legacy Relay passed through Grafton. Some Chapter Members participated.
- We placed a Commemoration Plaque on the Wall of Remembrance behind the Cenotaph.

#### **Remembrance Day,**

- We conducted a Ceremony at Grafton Aged Care and the Main Service at the Cenotaph
- Our Guard was provided by the Army Cadets and assisted by the Scouts.
- The readings and prayers were all done by students from our local schools. We thank MCC, CVAS, SGHS, SACS, SJPS, GPS, SGPS, CCPS & NPS.
- Certificates of appreciation were sent to all schools, all readers, the Army Cadets & Scouts.
- We also thank our Bugler Gareth Salter and Piper Scott Rhodes

#### **Vietnam Veterans Day**

- Chapter Members joined the Parade and laid a wreath.

#### **Scouts Memorial Day**

- Chapter Members assembled with the community to remember this sad historic event.
- Only one of the original party remained, and travelled long distance to attend.

#### **Cenotaph lighting repairs.**

- The Flood Lights for the Cenotaph had mounting brackets damaged when lights were forcibly “refocused”. With assistance from GRSL SB, Council realigned the lights (several times).
- The brackets have been renewed, and the lights renewed. New protective Stainless Steel protective covers have been fitted.
- The permanent flood light on a lighting pole to also illuminate the cenotaph is not working and is ‘under consideration by Council.

#### **Research for 100th anniversary.**

- This ANZAC Day, 2024, was the 100th anniversary of the unveiling of the Cenotaph. We spent time preparing for this. There was a Blessing/Rededication a few years ago so this wasn't necessary. We had the Mayor read a speech and one school present a history of the Cenotaph moves.

**ANZAC Day 2024.  
Ramornie Sunday 21<sup>st</sup>.**

- The rain, falling all around the district, missed us.
- The rain reduced the numbers attending; however, our members estimated we had at least 80 people there.
- The 24<sup>th</sup> Army Cadets were well turned out and provided a first-class catafalque party.
- The Cadets also provided much assistance erecting and dismantling Marquees, spreading, and repacking chairs and tables, and cleaning the ground. GRSL SB marquees excellent.
- The assistance of Coles was appreciated, as well as members who provided a plate, and a welcome morning tea followed.

**Grafton Aged Care Home Tuesday 23<sup>rd</sup>.**

- Fred, Dianne & Dave did that service. It was well received .

**Dawn Service.**

- We had an excellent crowd, estimated at over 350.
- The feed-back from the community was really encouraging. Comments were that the numbers are high and the ceremony meaningful.
- Alistair McInnes was the Piper and Gareth Salter the Bugler.
- The breakfast was held at the South Club, and their assistance is greatly appreciated.
- We thank the Coles Supermarket group for the provision of the food.

**Main Service.**

- Excellent weather and a really big attendance, over 500. Our programme had a supplement attached showing the various locations of the Cenotaph with some notes applicable.
- The 100<sup>th</sup> anniversary of the Cenotaph was the start of the service. The mayor Cr P Johnstone addressed the attendees and was followed by the SACS student, Lincoln Spears, who presented a history of the moving of the Cenotaph.
- All the readings were done by school students. The Commemorative Address – The Battle of the Coral Sea was an excellent article prepared and read by Madeline Schroder – MCC.
- Once again, the community feedback was excellent, that the attendance keeps increasing, how this is the really big Australian Celebration. Richie Williamson said that ANZAC Day is the strongest National Day we have, in meaning and community support and participation.
- We were let down again by the P/A system, it couldn't reach the back of the park.

**Badge & Memorabilia Sales Wednesday 24<sup>th</sup> and Bar Sales at South Club.**

- Ron and Robyn carried out our sale day, a good result and contributed to the combined Sub Branch and associated Chapters setting a new high.

Regards  
Barry Whalley

*Barry Whalley*



South Grafton RSL Chapter

**SOUTH GRAFTON DISTRICT EX-SERVICEMEN'S CLUB CO-OPERATIVE LTD**  
**ABN 61 200 799 714**

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**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**SOUTH GRAFTON DISTRICT EX-SERVICEMEN'S CLUB CO-OPERATIVE LTD  
ABN 61 200 799 714**

**DIRECTORS REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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Your directors present their report on the co-operative for the year ended 31 December 2023.

**Principal Activities**

The principal activities of the co-operative during the year have been that of providing for members and guests a social and sporting club with all the usual facilities of a club.

**Short and Long Term Objectives of the Co-operative**

The co-operative has identified the following short term objectives:

- to maintain the clubs profitability.
- to meet the industry benchmark for financial performance of a 15% EBITDA (Earning Before Interest Tax Depreciation and Amortisation).
- to install new technology to enhance the controls over cash flow.
- to meet industry requirements for the provision of a smoke free and safe environment for staff, members and their guests.
- to foster the clubs involvement with community organisations.

The co-operative has identified the following long term objectives:

- to remain financially secure.
- to continue to maintain and refurbish the facilities of the co-operative to meet the needs of the members and the community.
- to grow the operations of the co-operative in accordance with members interests.
- the preparation of strategic and business plans.

**Strategies**

The co-operative has adopted the followings strategies in order to achieve these short and long term objectives:

- the preparation of an annual financial budget for financial performance and cashflow projections. The management and directors regularly review the co-operative performance against budget.
- the on going management of in house compliance with legislative obligations be conducted.
- to closely monitor performance of revenue and expenses.

**Performance Measurement**

The co-operative uses the following key performance indicators to measure performance:

- EBITDA of 25.46% was achieved which is above the 15% industry benchmark (2022: 25.62%).
- Profit, after income tax expense, for the financial year was \$266,757 compared to the 2022 profit of \$180,500.
- Operating Cash Flow for the financial year was \$694,786 compared to the 2022 operating cash flow of \$627,647.
- the co-operative has complied with all Workplace Health and Safety Employment and Environmental requirements.

**SOUTH GRAFTON DISTRICT EX-SERVICEMEN'S CLUB CO-OPERATIVE LTD  
ABN 61 200 799 714**

**DIRECTORS REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**Directors Information**

**Directors**

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

<b>Directors Name</b>	<b>Special Responsibilities</b>	<b>Period as Director</b>	<b>Qualifications and Experience</b>
Christiaan Gosewisch	President	14 Years	Business Owner/ Company Director
June Allen	Vice President	8 Years	Retired
Andrew Collen	Director	5 Years	Council Foreman
Mavis Tago	Director	1 Year	Retired
Barbara Hindom	Director	Appointed 1 May 2023	Retired
Janet Howell	Director	Appointed 1 May 2023	Retired
Chris Metcalfe	Director	Resigned 1 May 2023 Reappointed June 2023	School Support Officer
Sharon Darby	Director	4.5 Years Resigned June 2023	Retired
Gail Norton	Director	Resigned 1 May 2023	Retired

**Meetings of Directors**

During the financial year, 11 meetings of directors (including committees of directors) were held and the attendances by each director during the year were as follows:

	<b>Directors' Meetings</b>	
	<b>Eligible to attend</b>	<b>Number attended</b>
Christiaan Gosewisch	11	11
June Allen	11	11
Andrew Collen	11	11
Sharon Darby	4	4
Mavis Tago	11	11
Barbara Hindom	8	8
Janet Howell	8	7
Chris Metcalfe	10	7
Gail Norton	3	3

**Significant Changes to Operations**

No significant matters have arisen which are considered to have significantly impacted upon the operation of the co-operative.

Signed in accordance with a resolution of the Board of Directors by:



Christiaan Gosewisch  
President

Dated: 29 February 2024

**AUDITORS INDEPENDENCE DECLARATION**

**TO THE DIRECTORS OF SOUTH GRAFTON EX-SERVICEMEN'S CLUB CO-OPERATIVE LIMITED**

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of South Grafton Ex-Servicemen's Club Co-Operative Limited for the year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) No contraventions of any applicable code of professional conduct in relation to the audit.



Jessica Galvin

Registered Company Auditor Number: 476 815

Dated: 29 February 2024

**SOUTH GRAFTON DISTRICT EX-SERVICEMEN'S CLUB CO-OPERATIVE LTD  
ABN 61 200 799 714**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 \$	2022 \$
Revenues	2	2,855,522	2,534,607
Interest revenue calculated using the effective interest rate method	2	11,461	405
Other income	3	9,742	32,000
Cost of goods sold	4	(200,535)	(165,872)
Depreciation		(447,318)	(469,218)
Employee benefits expense		(665,866)	(658,384)
Finance costs		(303)	(639)
Gaming expenses		(477,604)	(425,280)
Members amenities and entertainment		(211,628)	(202,257)
Occupancy expenses		(391,631)	(307,508)
Other expenses		(197,167)	(149,930)
<b>Profit before income tax expense</b>		<b>284,673</b>	<b>187,924</b>
Income tax expense	1(b); 5	(17,916)	(7,424)
<b>Profit after income tax expense</b>		<b>266,757</b>	<b>180,500</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>266,757</b>	<b>180,500</b>

**SOUTH GRAFTON DISTRICT EX-SERVICEMEN'S CLUB CO-OPERATIVE LTD**  
**ABN 61 200 799 714**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2023**

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	1,760,442	2,266,434
Inventories	7	18,732	14,609
Investments and other financial assets	8	1,015,000	15,000
Other current assets	9	44,282	38,794
<b>TOTAL CURRENT ASSETS</b>		<b>2,838,456</b>	<b>2,334,837</b>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	10	2,599,818	2,838,480
Intangible assets	12	375,000	375,000
Right-of-Use assets	11	6,017	12,921
<b>TOTAL NON CURRENT ASSETS</b>		<b>2,980,835</b>	<b>3,226,401</b>
<b>TOTAL ASSETS</b>		<b>5,819,291</b>	<b>5,561,238</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Leases	13	2,917	10,911
Trade and other payables	14	130,291	124,154
Financial liabilities	15	2,025	67
Current tax liabilities	18	17,916	7,424
Provisions	16	180,486	202,935
Contract liabilities	17	92,195	79,305
<b>TOTAL CURRENT LIABILITIES</b>		<b>425,830</b>	<b>424,796</b>
<b>NON CURRENT LIABILITIES</b>			
Leases	13	3,504	6,231
Provisions	16	7,709	14,720
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>11,213</b>	<b>20,951</b>
<b>TOTAL LIABILITIES</b>		<b>437,043</b>	<b>445,747</b>
<b>NET ASSETS</b>		<b>5,382,248</b>	<b>5,115,491</b>
<b>EQUITY</b>			
Reserves		160,000	160,000
Retained earnings		5,222,248	4,955,491
<b>TOTAL EQUITY</b>		<b>5,382,248</b>	<b>5,115,491</b>



**SOUTH GRAFTON DISTRICT EX-SERVICEMEN'S CLUB CO-OPERATIVE LTD**  
**ABN 61 200 799 714**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Asset Revaluation Reserve \$	Retained Earnings \$	Total \$
<b>Restated Balance at 01 January 2022</b>	160,000	4,774,991	4,934,991
Profit after income tax expense	-	180,500	180,500
Total other comprehensive income for the period	-	-	-
<b>Restated Balance at 31 December 2022</b>	<u>160,000</u>	<u>4,955,491</u>	<u>5,115,491</u>
Profit after income tax expense	-	266,757	266,757
Total other comprehensive income for the period	-	-	-
<b>Balance at 31 December 2023</b>	<u>160,000</u>	<u>5,222,248</u>	<u>5,382,248</u>

**SOUTH GRAFTON DISTRICT EX-SERVICEMEN'S CLUB CO-OPERATIVE LTD**  
**ABN 61 200 799 714**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 \$	2022 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		3,167,904	2,823,644
Payments to suppliers and employees		(2,476,857)	(2,183,549)
Interest received		11,461	405
Finance costs		(303)	(639)
Income tax paid		(7,424)	(12,214)
Net cash provided by operating activities	19 (b)	<u>694,781</u>	<u>627,647</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		12,930	31,992
Purchase of property, plant and equipment		(203,593)	(544,987)
Net payments for investments		<u>(1,000,000)</u>	<u>-</u>
Net cash used in investing activities		<u>(1,190,663)</u>	<u>(512,995)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of lease liabilities		<u>(10,110)</u>	<u>(13,149)</u>
Net cash used in financing activities		<u>(10,110)</u>	<u>(13,149)</u>
Net increase in cash held		(505,992)	101,503
Cash at the beginning of the financial year		<u>2,266,434</u>	<u>2,164,931</u>
Cash at the end of the financial year	19 (a)	<u>1,760,442</u>	<u>2,266,434</u>

**SOUTH GRAFTON DISTRICT EX-SERVICEMEN'S CLUB CO-OPERATIVE LTD**  
**ABN 61 200 799 714**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**Note 1: Statement of Significant Accounting Policies**

The financial statements are for South Grafton District Ex-Servicemen's Club Co-op Ltd as an individual entity, incorporated and domiciled in Australia. South Grafton District Ex-Servicemen's Club Co-operative Limited is a not-for-profit co-operative.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures and Interpretations issued by the Australian Accounting Standards Board and the Co-operatives National Law and Regulations (NSW), as appropriate for not-for-profit oriented entities.

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.

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 co-operatives 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 (p).

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 February 2024.

**Accounting Policies**

**(a) Revenue Recognition**

The entity revenue as follows:

Revenue from Contracts with Customers

Revenue is recognised at an amount that reflects the consideration to which the entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the entity: 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 from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Interest

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

Other revenue

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**(b) Income Tax**

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

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 liability are calculated at the tax rates that are expected to apply for 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.

The mutuality principle has been applied to the income tax calculation of the Club.

**(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 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 exchange 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 normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled with 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) Inventories**

Inventories are measured at the lower of cost and net realisable value on a first in first out basis.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**(f) Investments and Other Financial Assets**

Investments and other financial assets, other than investments in associates, are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Co-operative has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Co-operative intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Co-operative recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Co-operative's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

**(g) Impairment of Non-Financial Assets**

At the end of each reporting period, the Co-operative 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 Co-operative estimates the receivable amount of the cash-generating unit to which the asset belongs.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**(h) Property, Plant and Equipment**

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

**Property**

Freehold land and buildings are shown at cost.

**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:

Class of Fixed Asset	Depreciation Rate
Buildings and Improvements	2.5%
Plant and equipment	5 - 100%

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 co-operative. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

**(i) Intangibles**

**Poker Machine Entitlements**

The poker machine entitlements shown in the accounts represent licences purchased by the club. The co-operative holds other poker machine entitlements that have a market value. If the co-operative were to be wound up or the number of entitlements were in excess of requirements then the poker machine entitlements would be able to be sold at the prevailing market price. Poker machine entitlements are intangible assets classified with an indefinite life. The intangible asset is subject to annual impairment testing to the higher of fair value less related costs to sell and value in use.

**(j) Impairment of Assets**

At each reporting date, the co-operative reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the assets' fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

**(k) Right-of-use Assets**

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**(l) Trade and Other Payables**

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

**(m) 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.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

**(n) 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.

**(o) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**(p) 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.

Key Judgement - Revenue from contracts with customers

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the consolidated entity is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Estimation of useful lives of assets

The co-operative 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 indefinite life intangible assets

The co-operative assesses impairment of indefinite life intangible assets at each reporting date by evaluating conditions specific to the co-operative 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 (m), 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.

**(q) New, revised or amending Accounting Standards and Interpretations adopted**

The co-operative 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 co-operative.



**SOUTH GRAFTON DISTRICT EX-SERVICEMEN'S CLUB CO-OPERATIVE LTD**  
**ABN 61 200 799 714**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 \$	2022 \$
<b>Note 2: Revenue</b>		
Revenue from contracts with customers		
Bar trading	459,797	372,720
Catering trading	8,450	19,984
Total sales revenue	<u>468,247</u>	<u>392,704</u>
Membership subscriptions and fees	25,166	27,796
Raffle income	137,882	121,244
Bingo income	23,005	23,821
Commissions	37,818	33,651
Rent & Reimbursements	8,400	-
Hiring charges	6,725	5,383
Gaming revenue	2,140,679	1,926,963
	<u>2,847,922</u>	<u>2,531,562</u>
Other revenue:		
Dividends received	800	800
Sundry income	6,800	2,245
	<u>7,600</u>	<u>3,045</u>
Total revenue	<u>2,855,522</u>	<u>2,534,607</u>
Interest calculated using the effective interest rate method:		
financial institutions	11,461	405
	<u>11,461</u>	<u>405</u>
<u>Disaggregation of revenue</u>		
The disaggregation of revenue from contracts with customers is as follows:		
Timing of revenue recognition		
Goods transferred at a point in time	2,822,756	2,503,766
Service transferred over time	25,166	27,796
	<u>2,847,922</u>	<u>2,531,562</u>
<b>Note 3: Other Income</b>		
Profit/(Loss) on sale of fixed assets	9,742	32,000
Total other income	<u>9,742</u>	<u>32,000</u>

**SOUTH GRAFTON DISTRICT EX-SERVICEMEN'S CLUB CO-OPERATIVE LTD**  
**ABN 61 200 799 714**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 \$	2022 \$
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**Note 4: Expenses**

(a) Significant expenses

Cost of goods sold	200,535	165,872
Depreciation		
- Property, plant and equipment	440,414	458,012
- Leases	6,904	11,192
Electricity and gas	144,989	99,284
Members amenities	211,628	202,257
Poker machine tax	320,082	278,748
Repairs and maintenance	107,379	91,087
Salaries and wages	611,374	542,882
Superannuation	60,075	54,141

**Note 5: Income Tax Expense**

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

Prima facie tax payable on profit from ordinary activities before income tax at 25% (2022: 25%)

Less: Tax effect of;

Non-assessable profit from members	(53,252)	(39,557)
Tax losses not brought to account	-	-
	<u>(53,252)</u>	<u>(39,557)</u>

Income tax expense attributable to the co-operative

<u>17,916</u>	<u>7,424</u>
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**Note 6: Cash and Cash Equivalents**

Cash on hand	93,250	85,250
Cash at bank	1,667,192	2,181,184
	<u>1,760,442</u>	<u>2,266,434</u>

*Reconciliation to cash and cash equivalents at the end of the financial year*

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	<u>1,760,442</u>	<u>2,266,434</u>
Balance as per statement of cash flows	<u>1,760,442</u>	<u>2,266,434</u>

**SOUTH GRAFTON DISTRICT EX-SERVICEMEN'S CLUB CO-OPERATIVE LTD**  
**ABN 61 200 799 714**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 \$	2022 \$
<b>Note 7: Inventories</b>		
CURRENT		
Stock on Hand		
- Bar	18,732	14,609
	<u>18,732</u>	<u>14,609</u>
<b>Note 8: Investments and Other Financial Assets</b>		
(a) Financial assets at fair value through profit or loss		
- shares in unlisted corporations, at cost	10,000	10,000
(b) Financial assets at amortised cost (current)		
Financial assets at amortised cost under AASB 9		
- tab deposit bond	5,000	5,000
- term deposit	1,000,000	-
	<u>1,015,000</u>	<u>15,000</u>
<b>Note 9: Other Assets</b>		
CURRENT		
Prepayments	44,282	38,794
	<u>44,282</u>	<u>38,794</u>
<b>Note 10: Property, Plant &amp; Equipment</b>		
Land and buildings (at cost)		
Land and Buildings	3,962,723	3,962,723
Less: Accumulated depreciation	(2,496,305)	(2,413,679)
Total Land and Buildings	<u>1,466,418</u>	<u>1,549,044</u>
Plant and Equipment (at cost)		
Plant and Equipment	2,576,422	2,540,241
Less: Accumulated depreciation	(1,863,912)	(1,721,187)
	<u>712,510</u>	<u>819,054</u>
Poker Machines	2,309,833	2,233,098
Less: Accumulated depreciation	(1,899,577)	(1,775,477)
	<u>410,256</u>	<u>457,621</u>

**SOUTH GRAFTON DISTRICT EX-SERVICEMEN'S CLUB CO-OPERATIVE LTD**  
**ABN 61 200 799 714**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 \$	2022 \$
Motor Vehicles	72,904	72,904
Less: Accumulated depreciation	<u>(62,270)</u>	<u>(60,143)</u>
	<b>10,634</b>	<b>12,761</b>
Total Plant and Equipment	<u>1,133,400</u>	<u>1,289,436</u>
Total Property, Plant and Equipment	<u>2,599,818</u>	<u>2,838,480</u>

(a) Movements in carrying amounts

	Land and Buildings \$	Plant and Equipment \$	Total \$
Balance at the beginning of the period	1,549,044	1,289,436	2,838,480
Additions	-	203,593	203,593
Disposals	-	(1,841)	(1,841)
Depreciation expense	<u>(82,626)</u>	<u>(357,788)</u>	<u>(440,414)</u>
Carrying amount at the end of the period	<u>1,466,418</u>	<u>1,133,400</u>	<u>2,599,818</u>

**Note 11: Right-of-Use Assets**

Plant and Equipment (at cost)

Plant and Equipment	13,392	55,992
Less: Accumulated depreciation	<u>(7,375)</u>	<u>(43,071)</u>
Total Plant and Equipment	<u>6,017</u>	<u>12,921</u>

(a) Movements in carrying amounts

	Plant and Equipment \$	Total \$
Balance at the beginning of the period	12,921	12,921
Additions	-	-
Disposals	-	-
Depreciation expense	<u>(6,904)</u>	<u>(6,904)</u>
Carrying amount at the end of the period	<u>6,017</u>	<u>6,017</u>

**SOUTH GRAFTON DISTRICT EX-SERVICEMEN'S CLUB CO-OPERATIVE LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 \$	2022 \$
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**Note 12: Intangible Assets**

Poker machine entitlements (at fair value)	<u>375,000</u>	<u>375,000</u>
	<u><b>375,000</b></u>	<u><b>375,000</b></u>

**Poker Machine Entitlements**

Poker machine entitlements are assessed as having an indefinite useful life. The measurement and recognition criteria is outlined in Note 1 to the financial statements

Poker machine entitlements have been impairment tested using calculations of the higher of fair value less costs to sell and value in use. The directors believe that the carrying amount of poker machine entitlements are not impaired and impairment testing will be conducted at 31 December 2024.

**Note 13: Leases**

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

CURRENT

Lease liability	<u>2,917</u>	<u>10,911</u>
Total Current Lease liability	<u><b>2,917</b></u>	<u><b>10,911</b></u>

NON-CURRENT

Lease liability	<u>3,504</u>	<u>6,231</u>
Total Non-Current Lease liability	<u><b>3,504</b></u>	<u><b>6,231</b></u>
Total Lease liability	<u><b>6,421</b></u>	<u><b>17,142</b></u>

The Cooperative has leases for the CRT facilities, and phone system. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a leased 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 Cooperative classifies its leased assets in a consistent manner to its property, plant and equipment (see Note 11).

**Note 14: Trade and Other Payables**

CURRENT

Trade payables	<u>8,373</u>	<u>10,752</u>
Paid up capital	<u>8,554</u>	<u>8,554</u>
Other payables and accruals	<u>113,364</u>	<u>104,848</u>
	<u><b>130,291</b></u>	<u><b>124,154</b></u>

**Note 15: Financial Liabilities**

CURRENT

Credit card	<u>2,025</u>	<u>67</u>
	<u><b>2,025</b></u>	<u><b>67</b></u>

(a) The unused finance facilities are:

Bank overdraft	<u>30,000</u>	<u>30,000</u>
Credit Card	<u>975</u>	<u>2,933</u>
	<u><b>30,975</b></u>	<u><b>32,933</b></u>

**SOUTH GRAFTON DISTRICT EX-SERVICEMEN'S CLUB CO-OPERATIVE LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 \$	2022 \$
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**Note 16: Provisions**

CURRENT

Provision for employee benefits	<u>180,486</u>	<u>202,935</u>
	<u>180,486</u>	<u>202,935</u>

NON-CURRENT

Provision for employee benefits	<u>7,709</u>	<u>14,720</u>
	<u>7,709</u>	<u>14,720</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 17: Contract Liabilities**

CURRENT

Income received in advance	<u>18,050</u>	<u>20,822</u>
Poker machine jackpot provision	<u>74,145</u>	<u>58,483</u>
	<u>92,195</u>	<u>79,305</u>

**Provision for poker machine jackpots**

Provision has been made for poker machine jackpots representing the liability accrued as a result of turnover on poker machines in excess of the minimum jackpot amount.

**Note 18: Tax assets and liabilities**

(a) Liabilities

CURRENT

Income tax	<u>17,916</u>	<u>7,424</u>
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**SOUTH GRAFTON DISTRICT EX-SERVICEMEN'S CLUB CO-OPERATIVE LTD**  
**ABN 61 200 799 714**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 \$	2022 \$
<b>Note 19: Cash Flow Information</b>		
(a) Reconciliation of cash		
Cash and cash equivalents	<u>1,760,442</u>	<u>2,266,434</u>
	<u>1,760,442</u>	<u>2,266,434</u>
(b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax expense		
Profit from ordinary activities after income tax expense	266,757	180,500
Non cash flows in profit from ordinary activities:		
Depreciation and amortisation	447,318	469,218
(Profit)/Loss on sale of fixed assets	(9,742)	(32,000)
Changes in Assets and Liabilities:		
(Increase)/decrease in inventories	(4,123)	235
(Increase)/decrease in prepaid expenses	(5,488)	(3,700)
Increase/(decrease) in creditors and accruals	6,137	(36,375)
Increase/(decrease) in provisions	(29,460)	41,240
Increase/(decrease) in other liabilities	12,890	13,319
Increase/(decrease) in income taxes payable	10,492	(4,790)
Cash flows from operations	<u>694,781</u>	<u>627,647</u>

(c) Non-cash Financing and Investing Activities

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

**Note 20: Capital Commitments**

(a) Capital Expenditure Commitments

As at 31 December 2023, the co-operative had not engaged in any capital commitments. (2022 Nil)

**Note 21: Events After the End of the Reporting Period**

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

**SOUTH GRAFTON DISTRICT EX-SERVICEMEN'S CLUB CO-OPERATIVE LTD**  
**ABN 61 200 799 714**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	\$	\$

**Note 22: Related Party Transactions**

Key Management Personnel

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

Key management personnel compensation	<u>313,013</u>	<u>286,850</u>
Number of persons	<u>4</u>	<u>3</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. There are no identified transactions with other related parties.

**Note 23: Auditors' Remuneration**

During the financial year the following fees were paid or payable for services provided by JG Audit & Assurance, the auditor of the company:

Audit of the financial statements	<u>8,500</u>	<u>8,500</u>
Other allowable services	<u>-</u>	<u>-</u>
	<u>8,500</u>	<u>8,500</u>

**Note 24: Co-operative Details**

The registered office and principal place of business is:

South Grafton District Ex-Servicemen's Club Co-operative Limited  
 2 Wharf Street  
 SOUTH GRAFTON NSW 2460



**SOUTH GRAFTON DISTRICT EX-SERVICEMEN'S CLUB CO-OPERATIVE LTD**  
**ABN 61 200 799 714**

**DIRECTORS' DECLARATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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The directors of the co-operative declare that:

1. the financial statements and notes are in accordance with the Co-operatives National Law (NSW) , and:
  - (a) comply with Accounting Standards - Simplified Disclosures and the Co-operatives National Regulations; and
  - (b) gives a true and fair view of the financial position as at 31 December 2023 and of the performance for the period ended on that date of the co-operative;
2. in the directors' opinion there are reasonable grounds to believe that the co-operative will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Christiaan Gosewisch  
President

Dated: 29 February 2024



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
SOUTH GRAFTON EX-SERVICEMEN'S CLUB CO-OPERATIVE LIMITED**

**Opinion**

We have audited the financial report of South Grafton Ex-Servicemen's Club Co-Operative Limited (the Co-Operative), which comprises the statement of financial position as at 31 December 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial report of South Grafton Ex-Servicemen's Club Co-Operative Limited, is in accordance with the *Co-operatives (Adoption of National Law) Act 2012 (NSW)* and the *Co-operatives National Regulation 2013 (NSW)*, including:

- Giving a true and fair view of the registered entity's financial position as at 31 December 2023 and of its financial performance for the year then ended; and
- Complying with the Australian Accounting Standards – Reduced Disclosures Regime.

**Basis for Opinion**

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

We confirm that the independence declaration required by the *Corporation Act 2001*, which has been given to the directors of the Co-Operative, would be in the same terms if given to the directors as at the time of this auditors report.

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

**Responsibilities of the director for the financial report**

The directors of the Co-Operative is responsible for the preparation of the financial report that gives a true and fair view in accordance with the financial reporting requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The director's responsibility also includes such internal control as the director 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 Co-Operative's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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### ***Auditor's responsibilities for the audit of the financial report***

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

As part of an audit in accordance with 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 procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Co-Operative.
- Conclude on the appropriateness of the Co-Operative's use of the going concern basis or 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 Co-Operative'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 Co-Operative 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 a true and fair view.

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



Jessica Galvin, Director: JG Audit and Assurance Pty Ltd

Registered Company Audit Number: 476 815

Dated: 1 March 2024

Toowoomba

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**DISCLAIMER TO THE MEMBERS OF  
SOUTH GRAFTON EX-SERVICEMEN'S CLUB CO-OPERATIVE LIMITED**

The additional financial data presented on the following pages is in accordance with the books and records of the association which have been subjected to the auditing procedures applied in our statutory audit of the association for the financial year ended 31 December 2023. It will be appreciated that our statutory audit did not cover all details of the additional financial data.

Accordingly, I do not express an opinion on such financial data and I give no warranty of the accuracy or reliability in respect to the data provided. No undertaking of responsibility in any way whatsoever to any person (other than South Grafton Ex-Servicemen's Club Co-Operative Limited) in respect of such data, including any errors of omissions therein however caused.



Jessica Galvin, Director: JG Audit and Assurance Pty Ltd

Registered Company Audit Number: 476 815

Dated: 1 March 2024

Toowoomba



**SOUTH GRAFTON DISTRICT EX-SERVICEMEN'S CLUB CO-OPERATIVE LTD**  
**ABN 61 200 799 714**

**DETAILED TRADING STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	\$	\$
<b>Bar</b>		
Sales	459,797	372,720
Purchases	200,339	157,898
Stock movements	(4,123)	235
Cost of goods sold	<u>196,216</u>	<u>158,133</u>
Gross profit	<u>263,581</u>	<u>214,587</u>
Less: Direct expenses		
Depreciation	7,771	7,388
Salaries and wages	208,311	163,667
Other expenses	647	596
Total direct expenses	<u>216,729</u>	<u>171,651</u>
Net profit from bar trading	<u>46,852</u>	<u>42,936</u>
<b>Catering</b>		
Sales	8,450	19,984
Purchases	3,800	7,739
Cost of goods sold	<u>3,800</u>	<u>7,739</u>
Gross profit	<u>4,650</u>	<u>12,245</u>
Less: Direct expenses		
Depreciation	3,425	5,473
Salaries and wages	-	10,182
Other expenses	-	4
Total direct expenses	<u>3,425</u>	<u>15,659</u>
Net profit/(loss) from catering	<u>1,225</u>	<u>(3,414)</u>
<b>Gaming Trading</b>		
Net poker machine income	2,075,198	1,882,890
Poker machine GST rebate	17,180	12,885
Keno income	28,604	23,008
TAB income	<u>19,697</u>	<u>8,180</u>
Total gaming trading income	<u>2,140,679</u>	<u>1,926,963</u>
Less: Direct expenses		
Club grants	23,502	13,871
Data monitoring	40,409	37,629
Depreciation expense	191,329	221,380
Foxtel	38,822	33,732
Keno expenses	8,934	2,897
Poker machine tax	320,082	278,748
Repairs and maintenance	36,319	42,982
Sky racing	11,741	10,698
TAB expenses	<u>(2,205)</u>	<u>4,723</u>
Total direct expenses	<u>668,933</u>	<u>646,660</u>
Net profit from gaming trading	<u>1,471,746</u>	<u>1,280,303</u>

**SOUTH GRAFTON DISTRICT EX-SERVICEMEN'S CLUB CO-OPERATIVE LTD**  
**ABN 61 200 799 714**

**DETAILED INCOME AND EXPENDITURE STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	\$	\$
<b>Income</b>		
Net profit from trading:		
Bar	46,852	42,936
Catering	1,225	(3,414)
Gaming	1,471,746	1,280,303
Bingo income	23,005	23,821
Commissions received	37,818	33,651
Dividends received	800	800
Hiring charges	6,725	5,383
Interest received	11,461	405
Membership subscriptions and fees	25,166	27,796
Profit on sale of assets	9,742	32,000
Raffle income	137,882	121,244
Restaurant rent and reimbursements	8,400	-
Sundry income	6,800	2,245
<b>Total Income</b>	<b>1,787,622</b>	<b>1,567,170</b>
<b>Expenditure</b>		
Advertising	24,007	20,967
Bank charges	2,559	1,871
Cleaning and waste removal	11,542	10,520
Computer and software expenses	34,721	25,372
Courtesy bus	5,091	5,149
Cyber security	18,221	-
Depreciation	244,793	234,977
Directors expenses	6,137	5,883
Directors fees	10,750	10,183
Donations	1,117	1,700
Electricity and gas	144,989	99,284
Equipment purchases	3,882	5,598
Freight & Cartage	519	-
Insurance	125,666	109,066
Interest paid	303	639
Members amenities	211,628	202,257
Other staff expenses	992	717
Postage, printing and stationery	3,039	3,938
Professional fees - auditors' remuneration	8,500	8,125
Professional fees - accountancy fees	29,600	27,200
Provision for employee benefits	(29,461)	41,240
Rates	34,229	36,388
Repairs and maintenance	71,060	48,105
Staff uniforms	86	-

**SOUTH GRAFTON DISTRICT EX-SERVICEMEN'S CLUB CO-OPERATIVE LTD**  
**ABN 61 200 799 714**

**DETAILED INCOME AND EXPENDITURE STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Salaries and wages	<b>403,063</b>	369,033
Security	<b>12,212</b>	4,287
Staff training and amenities	<b>1,900</b>	3,342
Sponsorships	<b>4,173</b>	4,173
Subscriptions and licences	<b>18,644</b>	10,581
Sundry expenses	<b>13,867</b>	14,303
Superannuation	<b>60,075</b>	54,141
Telephone	<b>4,145</b>	4,145
Workers compensation insurance	<b>20,900</b>	16,062
<b>Total Expenditure</b>	<b>1,502,949</b>	1,379,246
<b>Profit before Income Tax Expense</b>	<b>284,673</b>	187,924