

21 March 2024

Attention: Willie Williams - President

The President and
Board of Directors
Oberon R S L Club Limited
PO Box 53
OBERON NSW 2787

Dear Sir,

RE: ANNUAL REPORT – 2023 YEAR

Please find enclosed the Annual Report for the year ended 31st December 2023.

Please have the Directors review the Financial Statements and attached reports at the next board meeting and if they approve the accounts, please have the Directors' Report and Directors' Declaration signed, and return to us the signed one-page of each to be held on our office file. The Report will be emailed to you in Word format to forward to the printer.

The reported Loss for the year was \$222,228, compared to last year being a Loss of \$220,846.

The operating performance:

	2023	2022
Operating Income	2,577,604	2,079,799
Operating Expenses	<u>(2,698,946)</u>	<u>(1,984,557)</u>
Operating Profit/(Loss)	<u>(\$121,342)</u>	<u>\$95,242</u>

The Club's operating profit before borrowing costs, depreciation, amortization and income tax deteriorated from a Profit of \$95,242 to a Loss of \$121,342, a downturn of \$216,584?

<u>Less Non-Cash Charges</u>		
- Depreciation	(292,884)	(313,156)
- Borrowing Costs	<u>(4,262)</u>	<u>(2,932)</u>
Net Profit/(Loss) for year	<u>(\$222,228)</u>	<u>(\$220,846)</u>

Cash Flows

Cash flows generated were:	176,165	52,034
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Which was allocated to:

- Purchase of Plant & Equipment & Leasehold Improvements	(504,731)	(286,608)
- Lease Repayment ROU assets	2,480	4,958
- Add Borrowings, Less Repayments	<u>227,989</u>	<u>(1,321)</u>
Increase/(Decrease) in Cash Held at Bank	<u>(\$98,097)</u>	<u>(\$230,937)</u>



1. **OPERATING PROFIT/(LOSS)**

As shown, the Club operating profit before borrowing costs and depreciation has deteriorated from a Profit of (\$95,242 – 2022) to a Loss of \$121,342, a negative turnaround of \$216,584?

2. **ELECTRICITY COSTS**

The cost of electricity has increased at an alarming rate over the past three years.

2021	\$75,811
2022	\$139,875
2023	\$177,407

3. **MANAGEMENT LETTER**

During the year in December 2023 we issued two Management Letters in respect to deficiencies in our audit findings. The usual protocol is for the Manager or Board to respond to our concerns to update us on what corrective action has been taken. To date we have had no response.

4. **CONFIRMATIONS AND RESPONSE**

In December 2023 we issued Bank Confirmations, Tab Confirmations, Audit Engagement Letters, Audit Representation Letters, and a Licensed Clubs Audit Check List. None of these have yet been returned and on our last visit on 12th March 2024 nothing had been done to finalise these matters.

5. **AUDIT ADJUSTMENTS**

The restaurant stock of \$22,531, and the caterers bond of \$2,000 for outstanding rent in June 2023 had not been taken up, when they would reduce the reported loss by \$24,531.

Also, the poker machine depreciation schedule shows bulk purchase as one amount for \$148,000. This should be broken up and listed as new machine purchases, and retired machines fully depreciated and deleted. Also for the conversion cost of a machine of 2x \$2,500, this cost should be allocated to the respective machine that was converted.

6. **DECREASE IN CASH ASSETS, INCREASE IN CURRENT LIABILITIES**

The Company's current liabilities have substantially increased, while the cash at bank as deteriorated?

	2023	2022		
Cash Holding	211,307	309,404	98,097	down
Creditors	156,905	117,798	39,107	up
Tax Owing	82,520	7,097	75,423	up

7. **INSURANCE CLAIMS**

As a result of the hail damage in February 2023 over a year ago the following insurance claims have not yet been resolved, which are well overdue. These need to be resolved urgently as the Company is suffering from liquidity problems. The outstanding insurance claims we were informed are:

- Carpet & Flooring	160,000
- Roof	80,000
- Electrical	90,000
	<u>\$330,000</u>

8. **ASIC – AUDITOR**

The attached ASIC Printout as at 21 March 2024 shows the current auditor CROWE CENTRAL WEST. This needs to be updated when the next financials are lodged with ASIC.

9. **ANNUAL REPORT**

In our letter issued in December 2023 to the Club we requested the date the financials will be available, the date the Board required them and the date of the Annual General Meeting of Members.

We have had no response.

Last year's AGM was held on 5th May 2023, where the AGM must be held within 5 months after balance date.

We received the MYOB financials on the 4th March 2024. The staff were not available until 12th March 2024, when we arrived, we were informed that the AGM was going to be held in March and the members need the Annual Report three weeks prior as per the constitution.

It is not practicable to have the AGM in March, especially when the accounting has not been completed, and gives no time for the audit. I suggest as in the past AGM should be called for late April or May, as is the practice for most other clubs.

10. **SIMPLIFIED DISCLOSURE REQUIREMENTS**

The financial report has been prepared on the Simplified Disclosure Requirements, that may be prepared by Tier 2 entities now in force from the 30th June 2023 financial year.

The simplified disclosure regime (SDR) is an initiative of the Australian Accounting Standards Board (AASB) that allows non publicly accountable (Tier 2) reporting entities prepare less complex financial statements by providing them with certain exemptions from the disclosure that are contained in the existing AASB standards. Examples of Tier 2 entities that can produce general purpose financial statements include unlisted public companies and companies limited by guarantee which most licensed clubs are.

For any further information please do not hesitate to contact me.

Yours faithfully,



GARRY WILLIAM DAY

OBERON R S L CLUB LTD
ABN: 19 001 048 773
(A Company Limited by Guarantee)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st DECEMBER 2023

HARLEY, RUSSELL & DAY
CHARTERED ACCOUNTANTS

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ROCKDALE NSW 2216

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KOGARAH NSW 1485

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OBERON R S L CLUB LTD
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FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2023

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OBERON R S L CLUB LTD
ABN: 19 001 048 773
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31st DECEMBER 2023

Your Directors present their report on the Club for the financial year ended 31st December 2023.

DIRECTORS

The Directors of the Company in office at any time during the year and up to the date of this report are:

WILLIAMS, Alan Willie	+	HANCOX, Keith	+	SAJOWITZ, Kathy
HIGGINS, Sandy		LUYKS, David	+	LAWLESS, Tracey-Anne
+ HARPER, Denise				

+ Appointed 5th May 2023

OPERATING RESULTS

The operating Profit/(Loss) for the year amounted to a Loss of \$222,228 (2022: Loss of \$220,846) after charging \$292,884 for depreciation (2022: \$313,156), NSW State Government Grants of \$196,260 for the upgrade of the squash courts of \$33,000, and \$163,260 for evacuation centre grant (2022 – NIL)

PRINCIPAL ACTIVITY

The principal continuing activity of the Company consisted of: the operation of a registered RSL Club in Oberon, providing the sporting facilities for squash and bowls, gaming, entertainment, social and dining facilities. The principal activities assist in achieving the short and long-term objectives by providing up-to-date friendly social meeting venues and entertainment facilities to the Club members and the community.

- Providing gaming, entertainment, social, and dining facilities; and
- Providing turnover, cash flow and profit to meet the financial objectives of the Club.

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

SHORT-TERM AND LONG-TERM OBJECTIVES

SHORT TERM

1. Maintain and improve the Club's facilities, products, and services for our members and guests;
2. Plan for future marketing and promotion of the Club over the year;
3. Ensure a financially viable Club, paying bills when due; and
4. Keeping the pricing of beer at the lowest possible price – the lowest in town.

LONG TERM

1. Secure the long-term financial security of the Club to allow implementation of the Clubs' Strategic Plan.

STRATEGY FOR ACHIEVING OBJECTIVES

1. Implementation, review, and, where necessary, adjustment to Performance Management & Key Performance Indicators to achieve the specific goals defined in Critical Success Factors; and
2. Implementation of the Strategic Plan, review of Critical Success Factors as part of Performance Management practices.

OBERON R S L CLUB LTD
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31st DECEMBER 2023

KEY PERFORMANCE MEASURES

Performance is assessed regularly against relevant internal and industry benchmarks, enabling assessment as to whether strategic initiatives have been effective in achieving the Company's short and long-term objectives. These relevant benchmarks are detailed below and are monitored by senior management and the Board on a regular basis.

	<u>2023</u>	<u>2022</u>
	%	%
Bar		
Gross Profit Percentage	46.73	50.28
Percentage of Total Revenue	29.75	35.51
Kitchen		
Gross Profit Percentage	52.29	-
Percentage of Total Revenue	17.55	-
Poker Machines		
Clearances to Total Revenue	42.78	51.88
Total Number of Employees	35	20
EBITDA as a Percentage	3.12	4.85%

MEMBERSHIP

The number of Members of the Club registered in the Register of Members at the date of this report is \$1,652 (2022: 2,862), an decrease of 42%

	<u>2023</u>	<u>2022</u>
Associate	1,294	2,564
Pensioner	<u>358</u>	<u>298</u>
	<u>1,652</u>	<u>2,862</u>

REVIEW OF OPERATIONS

Movements in significant items of Revenue are as follows:-

	<u>2023</u>	<u>2022</u>	<u>Increase/ (Decrease)</u>	<u>%</u>
Poker Machine Turnover	1,102,864	1,078,718	24,146	2.23
Bar Sales	767,041	738,450	28,591	3.87
Dining Room Sales	452,424	-	452,425	100
Total Operating Expenses	2,698,946	1,984,557	714,389	35.99

OBERON R S L CLUB LTD
ABN: 19 001 048 773
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31st DECEMBER 2023

INFORMATION ON DIRECTORS

<i>Name:</i>	Alan Willie Williams	<i>Name:</i>	Denise Harper
<i>Position:</i>	President	<i>Position:</i>	Director
<i>Occupation:</i>	Retired	<i>Occupation:</i>	Program Manager
<i>Name:</i>	Kathy Sajowitz	<i>Name:</i>	Tracey-Anne Lawless
<i>Position:</i>	Vice President	<i>Position:</i>	Director
<i>Occupation:</i>	Industry Management	<i>Occupation:</i>	Community Nurse
<i>Name:</i>	David Luyks	<i>Name:</i>	Sandy Higgins
<i>Position:</i>	Treasurer	<i>Position:</i>	Director
<i>Occupation:</i>	Reliability Engineer	<i>Occupation:</i>	School Teacher
<i>Name:</i>	Keith Hancox		
<i>Position:</i>	Director		
<i>Occupation:</i>	Retired, Formerly Military Air/Sea Liason		

DIRECTORS' MEETINGS

The number of Directors' Meetings (including meetings of committees of Directors) and the number of meetings attended by each of the Directors of the Company during the financial year were:

Directors' Meetings		
Director	Meetings Eligible to Attend *	Meetings Attended
Alan Willie Williams	7	7
Kathy Sajowitz	7	7
Denise Harper	7	6
David Luyks	7	2
Keith Hancox	7	5
Tracey-Anne Lawless	7	5
Sandy Higgins	7	6

* Number of meetings held during the time the Director held office during the year.

OBERON R S L CLUB LTD
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2023

MEMBERS' LIABILITY

In accordance with the Constitution of the Company, every member of the Company undertakes to contribute an amount limited to \$2.00 per member in the event of the winding-up of the Company during the time that he/she is a member or within one year thereafter. The total liability in the event of winding up is \$3,304 (2022: \$5,724).

AUDITOR'S INDEPENDENT DECLARATION

The Auditor's Independent Declaration for the year ended 31st December 2023 has been received and can be found on page 5.

Dated at Oberon this 20th day of March 2024
Signed in accordance with a resolution of the Directors



PRESIDENT – ALAN WILLIE WILLIAMS



VICE PRESIDENT – KATHY SAJOWITZ

OBERON R S L CLUB LTD
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AUDITOR'S INDEPENDENT DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE MEMBERS OF OBERON R S L CLUB LTD

In accordance with s 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Oberon R S L Club Ltd. As the audit partner for the audit of the financial report of Oberon R S L Club Ltd for the year ended 31st December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the audit, and
- Any applicable code of professional conduct in relation to the audit.

DATED AT SYDNEY
THIS 15TH DAY OF
MARCH 2024

.....
HARLEY, RUSSELL & DAY
Chartered Accountants

GARRY WILLIAM DAY
Registered Company Auditor

OBERON R S L CLUB LTD

ABN: 19 001 048 773

(A Company Limited by Guarantee)

PROFIT & LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2023

	Notes	2023 \$	2022 \$
Revenue from Continuing Operations			
Sale of Goods	3	1,219,466	738,450
Rendering Services	3	1,291,333	1,244,609
Other Revenue	3	66,805	96,740
Total Revenue		<u>2,577,604</u>	<u>2,079,799</u>
Operating Expenses			
Cost of Sales		(624,363)	(367,153)
Employment Benefits Expenses		(824,539)	(699,419)
Administrative Expenses		(53,234)	(81,964)
Marketing Expenses		(262,598)	(196,411)
Consulting & Travel		(26,238)	(69,130)
Directors Expenses		(5,795)	(5,482)
Donations		(5,500)	(6,689)
Legal Fees		(6,692)	(7,554)
Occupancy Costs		(378,874)	(331,709)
Poker Machine Expenses		(38,908)	(37,189)
Other Expenses		(472,205)	(181,857)
Total Operating Expenses		<u>(2,698,946)</u>	<u>(1,984,557)</u>
Earnings before borrowing costs, tax, depreciation and amortisation		(121,342)	95,242
Depreciation and amortisation		(292,884)	(313,156)
Borrowing costs		(4,262)	(2,932)
Profit/(Loss) before Income Tax		<u>(418,488)</u>	<u>(220,846)</u>
Income tax expense relating to ordinary activities		-	-
Profit/(Loss) from continuing operations after Income Tax		<u>(418,488)</u>	<u>(220,846)</u>
Other Comprehensive Income	17	196,260	-
Total Comprehensive Profit/(Loss) for the year		<u>(222,228)</u>	<u>(220,846)</u>

Notes to and forming part of the accounts are to be read in conjunction with this report.

OBERON R S L CLUB LTD

ABN: 19 001 048 773

*(A Company Limited by Guarantee)***STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2023**

	Notes	2023 \$	2022 \$
CURRENT ASSETS			
Cash and cash equivalents	4	211,307	309,404
Trade and other receivables	5	29,173	25,711
Inventories	6	83,160	57,444
Other	7	-	3,393
TOTAL CURRENT ASSETS		323,640	395,952
NON-CURRENT ASSETS			
Investments	8	1,178	1,178
Property, Plant & Equipment	9	7,429,198	7,217,351
Right-of-Use Asset	10	-	2,480
Intangibles	11	49,500	49,500
TOTAL NON-CURRENT ASSETS		7,479,876	7,270,509
TOTAL ASSETS		7,803,516	7,666,461
CURRENT LIABILITIES			
Trade and other payables	12	253,786	137,398
Borrowings	13	121,922	50,396
Short term provisions	14	11,991	11,028
TOTAL CURRENT LIABILITIES		387,699	198,822
NON-CURRENT LIABILITIES			
Borrowings	13	232,780	76,317
Long term provisions	14	20,708	6,765
TOTAL NON-CURRENT LIABILITIES		253,488	83,082
TOTAL LIABILITIES		641,187	281,904
NET ASSETS		7,162,329	7,384,557
EQUITY			
Retained earnings		7,162,329	7,384,557
TOTAL EQUITY		7,162,329	7,384,557

Notes to and forming part of the accounts are to be read in conjunction with this report.

OBERON R S L CLUB LTD

ABN: 19 001 048 773

(A Company Limited by Guarantee)

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

	2023	2022
	\$	\$
Total equity at the beginning of the financial year	7,384,557	7,605,403
Total changes in equity, recognised in the Income Statement	<u>(222,228)</u>	<u>(220,846)</u>
Total Equity at the end of the financial year	<u><u>7,162,329</u></u>	<u><u>7,384,557</u></u>

Notes to and forming part of the accounts are to be read in conjunction with this report.

OBERON R S L CLUB LTD

ABN: 19 001 048 773

*(A Company Limited by Guarantee)***CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2023**

	Notes	2023	2022
		\$	\$
NOTE 1.			
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		2,832,262	2,305,769
Payments to suppliers and employees		(2,849,353)	(2,251,715)
Government Grants		196,260	-
Interest and Dividends		1,258	912
Interest paid		(4,262)	(2,932)
NET CASH INFLOW FROM OPERATING ACTIVITIES		<u>176,165</u>	<u>52,034</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(504,731)	(286,608)
Write Down of Right-of-Use Asset		2,480	4,958
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		<u>(502,251)</u>	<u>(281,650)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Borrowings - Bank, South Coast		298,595	68,540
Repayments of Bank Loan & Lease		(70,606)	(69,861)
NET CASH FLOW FROM FINANCING ACTIVITIES		<u>227,989</u>	<u>(1,321)</u>
Net increase/(decrease) in cash held		(98,097)	(230,937)
Cash at the beginning of the financial year		309,404	540,341
Cash at the end of the financial year	4	<u>211,307</u>	<u>309,404</u>

Notes to and forming part of the accounts are to be read in conjunction with this report.

OBERON R S L CLUB LTD
ABN: 19 001 048 773
(A Company Limited by Guarantee)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2023

NOTE 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Oberon R S L Club Ltd is a Company Limited by Guarantee and incorporated and domiciled in NSW, Australia.

Oberon R S L Club Ltd is a not-for-profit entity for the purpose of preparing the financial report.

The principal activities of the Company consist of maintaining and operating an RSL club and its associated activities.

Registered Office:
Corner Oberon & Dudley Street,
OBERON NSW 2787

Principal Place of Business:
Corner Oberon & Dudley Street,
OBERON NSW 2787

BASIS OF PREPARATION

Oberon R S L Club Ltd financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Simplified Disclosures. This includes compliance with the recognition and measurement requirements of all Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the disclosure requirements of AASB 1060 General Purpose Financial Statements - Simplified Disclosures for Not-for-Profit Tier 2 Entities.

The Company has prepared this financial report in accordance with Australian Accounting Standards - Simplified Disclosures. In prior years the financial report was prepared in accordance with Australian Accounting Standards - Reduced Disclosures. The transition from the previous financial reporting framework to Australian Accounting Standards - Simplified Disclosures has not affected Oberon R S L Club Ltd's reported financial position, financial performance, and cash flows.

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

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

ACCOUNTING POLICIES

a) **Revenue Recognition**

Sales Revenue

Sales Revenue comprises revenue earned from the provision of catering, beverage, and poker machine facilities to members and other patrons of the Club. Sales revenue is recognised when the goods and services are provided.

Asset Sales

The gross proceeds of asset sales are included as revenue of the entity. The profit or loss on disposal of assets is brought to account at the date an unconditional contract of sale is signed.

Interest Income

Interest income is recognised as it accrues.

b) **Principal Activities**

The Company operates as an RSL and Recreational facility.

OBERON R S L CLUB LTD
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31st DECEMBER 2023

NOTE 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

c) **Property, Plant & Equipment**

Property, plant, and equipment are included at cost or at an independent valuation. All fixed assets, including buildings and capitalised leases, but excluding freehold land, are depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

d) **Leases**

Leases of property, plant, and equipment, where substantially all the risks and benefits incidental to the ownership of these assets, but not legal ownership are transferred to the lessee, are classified as finance leases. Finance leases are capitalised recording an asset and liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Lease assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease charges taken to expense for the period in accordance with AASB 117: Leases.

Other leases are classified as operating leases. Minimum lease payments made under operating leases are charged as an expense in equal instalments over the accounting periods covered by the lease term.

Commencing 1st January 2019, a new lease standard (AASB 16: Leases) was introduced. In the past operating leases, where substantially all the risks and benefits remained with the lessor, were treated as off-balance sheet transactions, where lease payments are charged as an expense in the period in which they occurred, but under the new standard are required to be reported on-balance sheet. The lease cost which is the initial amount of the lease liability at present value plus any direct costs, if applicable, is recognised in the financial accounts as a "right-of-use" asset with an offsetting lease liability. The right-of-use asset is subsequently depreciated over the term of the lease or useful life on a straight-line basis. The lease liability at present value is reduced by the periodic lease payments made to the lessor, and the interest component of these payments charged to the P&L. Right-of-use assets are reported in property, plant and equipment and lease liabilities in financial liabilities.

Oberon R S L Club Ltd has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets or short-term leases. Lease payments associated with these leases are expensed on a straight-line basis over the lease term.

e) **Depreciation of property, plant and equipment**

Depreciation is calculated on a straight-line basis to write off the net cost or revalued amount of each item of property, plant and equipment (excluding land) over its expected useful life. The exception is glassware, crockery and cutlery, which is expensed in the year of purchase. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items.

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

Buildings	2.5%
Plant and Equipment	7.5 - 40.0%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

f) **Trade and other payables**

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

g) **Maintenance and repairs**

The costs of maintenance, repairs and minor renewals are charged as expenses as incurred.

OBERON R S L CLUB LTD
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31st DECEMBER 2023

NOTE 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

h) **Employee Entitlements**

(i) *Wages and salaries, annual leave and sick leave*

Liabilities for wages and salaries, annual leave and sick leave are recognised and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

(ii) *Long service leave*

A liability for long service leave is recognised for all employees of the Club with ten years or more of service. No adjustment is made for inflation of wage rates or discounting of expected future payments as the net effect is not expected to be material.

(iii) *Superannuation*

The Company sponsors the following plans for employees; Australian Super. Types of Benefits: Accumulation of contributions of employees providing a lump sum or annuity benefits upon retirement, death or disability. Contributions: Employees 11% of base salary of employee. The Company has a legal obligation to contribute to this fund.

i) **Income Tax**

The Income Tax Assessment Act (amended) provides that under the concept of Mutuality, Clubs are only assessed for income tax on that proportion derived from non-members and other external sources.

In view of these special circumstances, it is neither appropriate to compare income tax payable with operating profit as disclosed in the Statement of Financial Performance, nor adopt the principle of tax affect accounting.

(j) **Goods and Services Tax GST**

Revenues, expenses and assets are recognised net of the amount of GST in the financial statements with the exception:

Where the GST incurred on purchases of goods and services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as a part of the cost of acquisition of the asset or as a part of the expense item as applicable.

Receivables and payables are stated inclusive of GST

Cash flows are presented in the statement of cash flows on a gross basis, and the GST component of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the Australian Taxation Office, are classified as operating cash flows.

Net poker machine revenue, which is presented on a GST inclusive basis, with the GST component treated in the financial accounts as an expense. This method provides Directors and members with information on the additional impost of GST on gaming revenue.

Effective 1 July 2004, the New South Wales State Government (Office of State Revenue) agreed to reimburse all Clubs in NSW the GST impost, less an OSR "management" fee, on the first \$200,000 of net gaming revenue.

The net amount of GST recoverable from, or payable to the Australian Taxation Office is included as part of receivables or payables in the statement of financial position.

(k) **Inventories**

Inventories are carried at the lower of cost and net realisable value. The cost of inventories comprises all costs directly related to the acquisition, such as freight and delivery charges, and liquor taxes where applicable. Cost is based on first-in, first-out principle. Net realisable value is determined on an item by item basis.

OBERON R S L CLUB LTD

ABN: 19 001 048 773

(A Company Limited by Guarantee)

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2023

	2023	2022
	\$	\$
NOTE 3.		
REVENUE FROM CONTINUING OPERATIONS		
OPERATING ACTIVITIES		
<u>Sale of Goods Revenue</u>		
Bar Sales	767,041	738,450
Dining Room	452,425	-
	<u>1,219,466</u>	<u>738,450</u>
<u>Rendering Services</u>		
Poker Machines	1,102,864	1,078,718
Courtesy Bus	3,808	5,837
Bingo	7,735	6,477
Bowling Greens/Squash Courts	777	2,227
Keno Commission	33,221	30,558
TAB Commission	12,577	12,796
Raffles	119,377	105,266
Ticketed Entertainment	10,974	2,730
	<u>1,291,333</u>	<u>1,244,609</u>
<u>Other Income</u>		
ATM Commission	16,557	20,211
Bistro Rent	17,000	34,000
GST Rebate	17,180	17,180
Interest and Dividends	1,258	912
Room Hire	550	1,072
Members Subscriptions	12,594	12,011
Vending Machine Commission	1,666	1,579
Sundry Income	-	9,775
	<u>66,805</u>	<u>96,740</u>
Total Revenue from Operations	<u><u>2,577,604</u></u>	<u><u>2,079,799</u></u>

OBERON R S L CLUB LTD

ABN: 19 001 048 773

*(A Company Limited by Guarantee)***NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2023**

	2023	2022
	\$	\$
4. CASH		
Cash on Hand	88,430	82,684
Cash at Bank	122,877	226,720
	<u>211,307</u>	<u>309,404</u>
5. RECEIVABLES		
Trade Receivables	9,785	140
TAB Security Deposit	5,000	5,000
Other Receivables	14,388	20,571
	<u>29,173</u>	<u>25,711</u>
6. INVENTORIES		
Bar Stock	60,629	57,444
Restaurant	22,531	-
	<u>83,160</u>	<u>57,444</u>
7. OTHER		
Income Tax Refundable	-	3,393
	<u>-</u>	<u>3,393</u>
8. INVESTMENTS		
Shares at cost IAG Ltd (at Market Value)	1,178	1,178
	<u>1,178</u>	<u>1,178</u>
9. PROPERTY, PLANT & EQUIPMENT		
LAND & BUILDINGS		
Land & Building		
At valuation	400,000	400,000
Total Land	<u>400,000</u>	<u>400,000</u>
Building (Improvements) at Valuation	7,557,012	7,259,264
Opening Balance	(1,021,638)	(829,909)
Total Buildings	<u>6,535,374</u>	<u>6,429,355</u>
Total Land & Buildings	<u>6,935,374</u>	<u>6,829,355</u>
PLANT & EQUIPMENT		
Plant & Equipment - at cost	1,342,217	1,288,141
Less: Accumulated Depreciation	(1,167,417)	(1,122,070)
	<u>174,800</u>	<u>166,071</u>
Furniture, Fixtures & Fittings - at cost	107,079	107,662
Less: Accumulated Depreciation	(49,126)	(30,782)
	<u>57,953</u>	<u>76,880</u>

OBERON R S L CLUB LTD

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NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2023

	2023	2022
	\$	\$
9. PROPERTY, PLANT & EQUIPMENT (CONT.)		
Motor Vehicles - at cost	21,000	21,000
Less: Accumulated Depreciation	<u>(20,013)</u>	<u>(15,288)</u>
	<u>987</u>	<u>5,712</u>
Poker Machines - at cost	1,223,045	1,113,390
Less: Accumulated Depreciation	<u>(962,961)</u>	<u>(974,057)</u>
	<u>260,084</u>	<u>139,333</u>
Total Plant and Equipment	<u><u>493,824</u></u>	<u><u>387,996</u></u>
Carrying amount at the end of year	<u><u>7,429,198</u></u>	<u><u>7,217,351</u></u>

Core Assets

The existing Land and Buildings were valued at current market value as at 22 December 2021 by Graydon Staniforth (AAPI Australian Registered Valuer No. 69104), and Mitchell Staniforth (AAPI Australian Registered Valuer No. 68807). Valued at \$6,900,000, the Land component being \$400,000, and the Land and Buildings comprising the Core Assets under the Registered Clubs Act.

<u>For 31st December 2022</u>	Balance at Beginning of Year	Acquisitions at Cost	Depreciation	Balance at End of Year
Land	400,000	-	-	400,000
Plant & Equipment	130,901	75,318	(40,148)	166,071
Furniture, Fixtures & Fittings	95,731	-	(18,851)	76,880
Motor Vehicles	10,437	-	(4,725)	5,712
Buildings	6,500,000	117,280	(187,925)	6,429,355
Poker Machines	106,830	94,010	(61,507)	139,333
Total	<u>7,243,899</u>	<u>286,608</u>	<u>(313,156)</u>	<u>7,217,351</u>

<u>For 31st December 2023</u>	Balance at Beginning of Year	Acquisitions at Cost	Depreciation	Balance at End of Year
Land	400,000	-	-	400,000
Plant & Equipment	166,071	54,075	(45,346)	174,800
Furniture, Fixtures & Fittings	76,880	76,788	(18,835)	57,953
Motor Vehicles	5,712	-	(4,725)	987
Buildings	6,429,355	297,747	(191,728)	6,535,374
Poker Machines	139,333	153,001	(32,250)	260,084
Total	<u>7,217,351</u>	<u>581,611</u>	<u>(292,884)</u>	<u>7,429,198</u>

OBERON R S L CLUB LTD

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*(A Company Limited by Guarantee)***NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2023**

	2023	2022
	\$	\$
10. RIGHT-OF-USE ASSET		
Lease of Canon Photocopier	-	24,793
<u>Less Accumulated Depreciation</u>	<u>-</u>	<u>(22,313)</u>
	<u>-</u>	<u>2,480</u>
11. INTANGIBLE ASSETS		
Licenses and Franchises at Cost	49,500	49,500
	<u>49,500</u>	<u>49,500</u>
12. PAYABLES - CURRENT		
Accrued Expenses	-	3,681
Trade Payables	156,905	110,701
Taxes	82,520	7,097
Other Payables	14,361	15,919
	<u>253,786</u>	<u>137,398</u>
13. BORROWINGS		
Current		
- Poker Machine Lease - IGT	23,288	23,286
- Loan CBA	25,783	2,628
- Bank Loan - EBET	23,517	24,482
- South Coast Gaming	49,334	-
Total Current Borrowings	<u>121,922</u>	<u>50,396</u>
Non-Current		
- Loan CBA	123,228	-
- Poker Machine Lease - IGT	21,346	44,634
- Bank Loan - EBET	10,095	31,683
- South Coast Gaming	78,111	-
Total Non-Current Borrowings	<u>232,780</u>	<u>76,317</u>
14. EMPLOYEE BENEFITS ENTITLEMENTS		
Current Liabilities		
- Provision for Annual Leave	11,991	11,028
	<u>11,991</u>	<u>11,028</u>
Non-Current Liabilities		
- Provision for Long Service Leave	20,708	6,765
	<u>20,708</u>	<u>6,765</u>
Aggregate of total employee benefits	<u>32,699</u>	<u>17,793</u>

OBERON R S L CLUB LTD

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NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2023

15. KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Key Management Personnel

Names and position held at key management personnel in office at any time during the financial year are:

Alan Willie Williams
Kathy Sajowitz
Keith Hancox

David Luyks
Denise Harper

Tracey-Anne Lawless
Sandy Higgins

(b) Other Key Management Personnel

Matthew Seaman - Secretary - Appointed on 1st May 2023.

	2023	2022
(c) Key Management Personnel Compensation	\$	\$
Benefits and payments made to Director's and other Key Management personnel in (a) and (b) above.	<u>126,146</u>	<u>185,888</u>
	<u>126,146</u>	<u>185,888</u>

16. RELATED PARTY TRANSACTIONS AND THE REGISTERED CLUBS ACT REPORTING REQUIREMENTS

Amount of related party transactions

_____ - _____ -

17. OTHER COMPREHENSIVE INCOME

During the year the Company received the following grants:

NSW Liquor & Gaming

- Evacuation Centre Grant

163,260

-

NSW State Government

- Squash Courts Upgrade

33,000

-

196,260

-

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NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2023

	2023	2022
	\$	\$
18. DIRECTORS EXPENSES		
Fees	5,690	2,200
Meals & Training	106	3,282
	<u>5,796</u>	<u>5,482</u>
19. AUDITOR RENUMERATION		
Audit Services	16,500	16,500
Other Services	-	-
	<u>16,500</u>	<u>16,500</u>
20. CONTINGENT LIABILITIES		
There were no contingent liabilities known up to the date of signing this report.	-	-
21. CONTINGENT ASSET CASH FLOW		
The Company has outstanding insurance claims for the hail damage in February 2023 for:		
- Carpet and Flooring	160,000	-
- Roof	80,000	-
- Electrical	90,000	-
	<u>330,000</u>	<u>-</u>

OBERON R S L CLUB LTD
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DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 1 to 18 are in accordance with the Corporation Act 2001:
 - (a) comply with Accounting Standards - Simplified Disclosures and the Corporation Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31st December 2023 and of the performance for the year ended on that date of the Company;
2. in the director's 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.

Dated at Oberon this 20th day of March 2024.

Signed in accordance with a resolution of Directors



PRESIDENT - ALAN WILLIE WILLIAMS



VICE PRESIDENT - KATHY SAJOWITZ

OBERON R S L CLUB LTD
ABN: 19 001 048 773
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Oberon R S L Club Ltd (the Company), which comprises the statement of financial position as at 31st December 2023, and 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 and the directors' declaration.

In our opinion the accompanying financial report of Oberon R S L Club Ltd, is in accordance with the *Corporations Act 2001*, including:

- (a) Giving a true and fair view of the company's financial position as at 31st December 2023, and of its financial performance for the year then ended; and
- (b) Complying with Australian Accounting Standards AASB 1060: *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* 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 set out under Auditing Standard ASA 700. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Other Information

The directors are responsible for the other information. The other information comprises the information contained in the Oberon R S L Club Ltd Annual Report (but does not include the financial report and our auditor's report thereon).

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

OBERON R S L CLUB LTD
ABN: 19 001 048 773
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS (CONTINUED)

Report on the Audit of the Financial Report

Other Information (continued)

In connection with our audit of the financial report, our responsibility is to read the other information identified above 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.

Based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is no material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the 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 has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity'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 registered entity's ability to continue as a going concern.

OBERON R S L CLUB LTD
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS (CONTINUED)

Report on the Audit of the Financial Report

Auditor's responsibilities for the audit of the Financial Report (continued)

- 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 registered entity to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

DATED AT SYDNEY
THIS 25TH DAY OF
MARCH 2024

.....
HARLEY, RUSSELL & DAY
Chartered Accountants

GARRY WILLIAM DAY
Registered entity Auditor