

ANNUAL REPORT 2023



FOR THE YEAR ENDING
30 JUNE 2023

BATEMANS BAY SOLDIERS CLUB LIMITED
ACN 001 044 971 ABN 79 001 044 971



MISSION & VALUES

VISION

*To be the premier social & sustainable destination
Supporting communities on the South Coast.*

MISSION

*To maintain a viable & diverse business,
Demonstrating continual improvement & relevance,
By providing contemporary facilities to satisfy
The expectations of our current & future members &
The community.*

CORE VALUES



COMMUNITY
SUPPORT



INTEGRITY



RESPECT



HONOURING
SERVICE MEN & WOMEN



SUSTAINABILITY

YOUR BOARD MEMBERS



JOHN MCKASKILL
PRESIDENT



LES ARNOLD
SECRETARY



KEITH BREWSTER
SERVICE DIRECTOR



HELEN GARVIN
ASSOCIATE DIRECTOR



ENNIO MORELLO
SERVICE DIRECTOR



SHARON DANHEL
ASSOCIATE DIRECTOR



MITCH HERON
SERVICE DIRECTOR

ORGANISATIONAL PROFILE



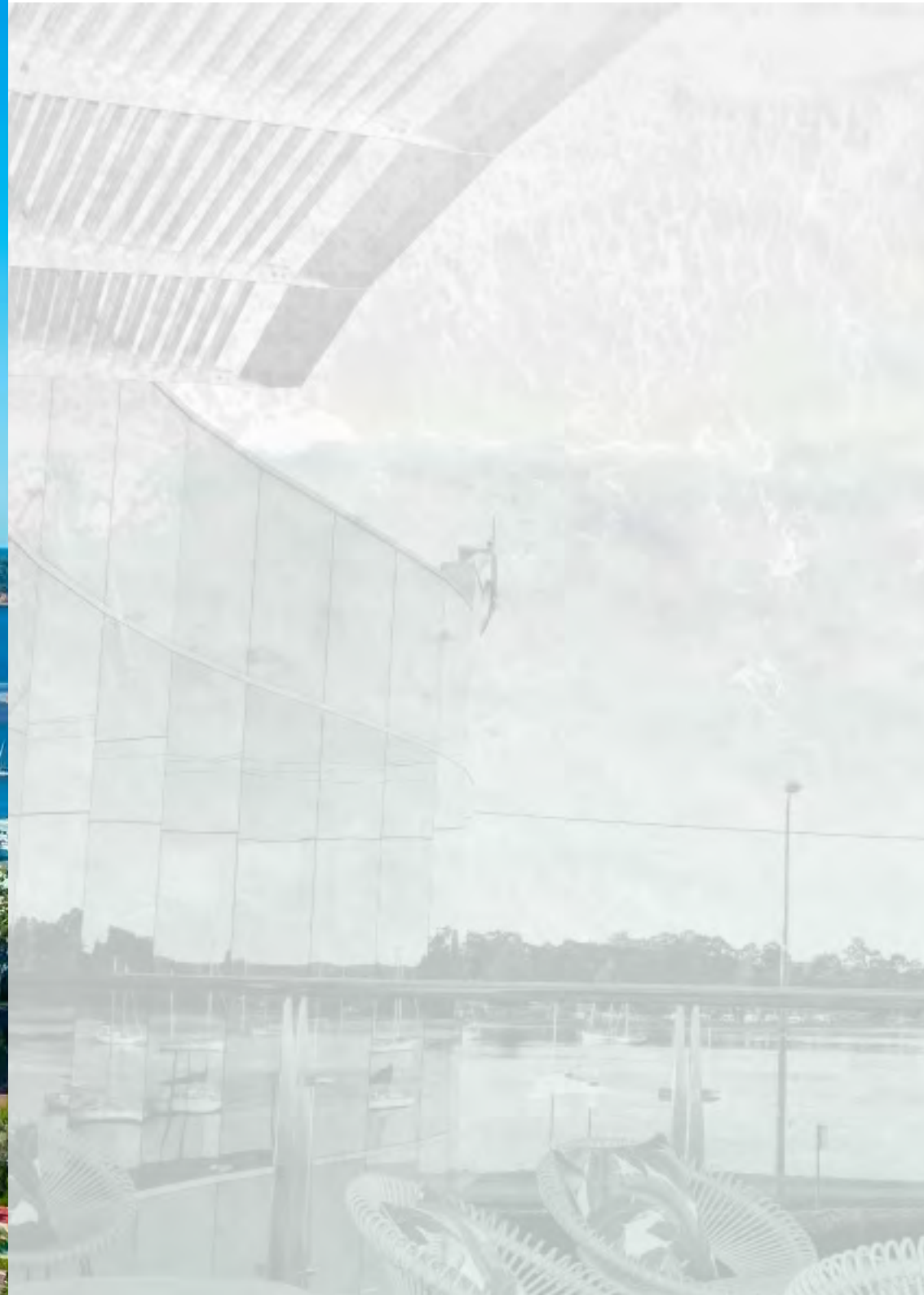
As of August 2023, the Batemans Bay Soldiers Club has been trading in it's current location for an impressive 63 years, and despite the challenges of the past few years with Covid, the bushfires and more, there are no signs of slowing down. with great things on the horizon.



The Esplanade motel continues to be a premier accommodation option in the Bay, enjoying impressive occupancy rates year-round. This local icon continues to evolve and transform itself with luxury suite upgrades taking place throughout 2022 to continue to deliver a high quality experience to all who stay with us.



Completed in May 2012, the BayLink building has just celebrated it's 10th birthday. We continue to share a beneficial partnership with the Federal Government as the chief tenant of the building, providing vital services to the local community.





Batemans Bay Soldiers Club Limited

Annual Financial Report

For the year ended
30 June 2023

Batemans Bay Soldiers Club Limited

ABN: 79 001 044 971

CONTENTS

Directors' Report	10
Auditor's Independence Declaration	11
Statement Of Profit Or Loss And Other Comprehensive Income	12
Statement Of Financial Position	13
Statement Of Changes In Equity	14
Statement Of Cash Flow	15
Notes To The Financial Statements	16
Directors' Declaration	30
Independent Auditor's Report	31

Batemans Bay Soldiers Club Presidents Report

The financial year ending on June 30 2023, has been a pleasing result for the club, recording a profit of \$3,178,696 for the year, being the first full year without restrictions or shutdowns we have seen members and visitors return to our club and motel increase over the year.

With the financial growth it has enabled us to reset our vision for a more sustainable and secure future with less reliance on gaming activity into the future. We are very proud to advise that as of the March 2023 we have been able to clear the club's debt and start saving for new developments planned over the next 10 years.

A strong consolidated EBITA of 31% or \$5,570,000 for the year has enabled the board to confidently plan the groups future in the changing central business district of Batemans Bay.

The club's success has come with its ongoing challenges with staff shortages and coverage, especially with underlying concerns relating to covid and general illness having a large impact across the whole team. Whilst this at times has been difficult, we want to sincerely thank our members and visitors for their patients and understanding.

This year's donations (ClubGRANTS) will be excess of \$205,000 supporting over 100 local community groups, this is an outstanding result, we are very proud to support our community at every level from emergency support through to sporting clubs and the arts, it all assists in developing and supporting our vibrant community.

To my fellow directors, I want to thank you all for your support of the club and vision for the future, in a year that has been difficult for myself personally, your support has been inspired and welcome and I thank you for that. To our club team, what can I say, a huge thank your loyalty, hard work and resilience, you have all played an integral role in our success in a year that has had challenges along the way.

To Paul Biddlestone our CEO and Matt Edwards Operations Manager, we thank you both for your dedication to the business and to the club team, our business is all the better for your dedication. To our members, thank you for returning after many years of challenges to navigate, with changes to catering and creating a more family friendly club, we will continue to work with the members to create an inclusive vibrant club for the future.

Sincerely,
M.J. (John) McCaskill
President.

I. Executive Summary

The end of 22-23 marks a significant stage for the Batemans Bay Soldiers Club. This report outlines the club's achievements, operational performance, financial status, and future strategies as we reflect on the past year's activities.

II. Operational Performance

1. **Membership Growth:** Our club experienced steady membership growth of 6% more members joining compared to the previous year, bringing our total to 11,672. This increase can be attributed to our continued efforts to provide a welcoming and more inclusive environment for all.
2. **Facilities and Infrastructure:** We invested \$1.25 million maintaining our Club, Motel and Baylink facilities, ensuring they remain safe, attractive, and accessible to our members, guests and tenants. This includes Motel refurbishment, Kitchen upgrades, Airconditioning at all sites and Club, Motel and Baylink Fire systems upgrade.
3. **Events, Functions and Entertainment:** Despite the challenges posed by external factors, we hosted a diverse range of events, activities, and entertainment options, catering to the varied tastes of our members. Functions is showing excellent growth from the pandemic shutdown, excellent work from Ashley, Aaron and Heather.

IV. Community Engagement

1. **Sponsorships and Donations:** We continued our commitment to supporting the local community by contributing more than \$204,000 in cash to various local charities, organizations, and sporting clubs.

V. Compliance and Licensing

1. **Regulatory Compliance:** We maintained strict adherence to all regulatory requirements set forth by the NSW Government, ensuring that our club operations remained in full compliance with licensing and safety standards.
2. **Responsible Service:** Our staff underwent regular training to uphold responsible service of alcohol and gambling practices, promoting the welfare of our members and guests.

VI. Challenges Faced

In 2022-23, we faced several challenges, from catering to operational changes and the sad and sudden loss of one of our team members, which required compassion, adaptability and resourcefulness to overcome. These experiences have strengthened our resolve to enhance our operational resilience in the future.

VII. Future Strategies and Goals

Moving forward into the new year, we have identified key strategies and goals:

1. **Membership Engagement:** We will continue to focus on enhancing member experiences, increasing engagement through innovative events and personalized services and changes to the club Board of Management structure with new tri-annual terms creates stability and continuity.
2. **Financial Sustainability:** Our goal is to maintain a solid financial foundation by optimizing revenue streams, prudent expense management, maximizing operational efficiency and committing a financial pool to fund future developments.
3. **Facility Enhancement:** We plan to undertake additional renovations and upgrades to ensure our facilities remain modern, attractive, and safe, starting in the club lounge in early 2024.

4. Community Involvement: Strengthening our community bonds remains a priority, with ongoing support for local initiatives and events and commitment to the RSL, Vietnam Veterans and Legacy in connecting people and building a better a community.
5. Digital Transformation: We aim to leverage technology to streamline operations, improve member communications, and enhance the overall club experience and reduce our environmental footprint of postal notifications.

VIII. Conclusion

As we bring the 2022-23 reporting year to a close, I want to take a moment to express my deepest gratitude to our members and employees. Your unwavering support and commitment to our club have been nothing short of remarkable.

Over the past three years, our club has faced unprecedented challenges and upheavals that none of us could have foreseen. The world as we knew it changed dramatically, and yet, through it all, our club remained resilient and adaptable. It is a testament to your dedication that we not only weathered the storm but also achieved significant milestones along the way. I am confident that as we move forward into the future, we will continue to achieve great things together.

Our members have shown incredible dedication, participating in events, and upholding the values that define our club. Your enthusiasm and engagement have been the driving force behind our success.

I want to especially thank Matt Edwards Operations Manager, Sharyn Hanlon Office Manager, Ashley Bellchambers Functions/HR Manager and Aaron Brown Marketing Manager, the Duty Managers and all team members for their hard work and creativity, have ensured the smooth functioning of our club, even in the face of adversity. Your dedication to our mission has been unwavering, and your tireless efforts have not gone unnoticed.

Our board members under the leadership of President John McCaskill have provided invaluable support and guidance throughout this challenging period. Your commitment to our club's mission have been instrumental in navigating the uncertainties of the past three years, and in creating an exciting and sustainable strategic vision for our club.

As we reflect on the journey we've undertaken together, let us take pride in our ability to adapt, persevere, and thrive in the face of adversity. We have not only met the challenges head-on but also emerged stronger, more united, and more determined than ever.

Once again, thank you for your unwavering support and commitment. Here's to a bright and promising future for our club.

Sincerely,
Paul Biddlestone
Chief Executive Officer.

Batemans Bay Soldiers Fishing Club Presidents Report

The 22/23 competition was a very hard-fought affair. John Rixon prevailed in the men's comp, while Sally Cullen and Lea Lehideux tied for 1st place in the ladies comp.

I would like to thank the Batemans Bay Soldiers Club Board, CEO Paul Biddlestone and all the staff, for their terrific support all year.

Also, a big thank you to the Soldiers Club members for their support of the raffles.

2023 is the 50th Anniversary of the fishing club and it is very gratifying to see how well the club is doing. The club continues to grow and it's pleasing to see the kids coming back and competing.

Thank you, also, to the fishing club committee for your hard work all year, especially Rod Wright, our secretary, and Neil D'Evelynes who are retiring for a well-earned rest.

Congratulations must also be extended to John Rixon for being named club person of the year. Well done, Ricko.

Thanks also to the RSL, Shimano and Harry's Bait and Tackle for their sponsorship this year.

Best wishes and tight lines

Scotty Connell
Fishing Club President

Batemans Bay Soldiers Club Limited

ABN: 79 001 044 971

Directors' Report

Your directors present their report on the company for the financial year ended 30 June 2023.

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

Malcolm John McCaskill	Retired Businessman	Club Director 34 years
Ennio Morello	Retired Business Owner	Club Director 25 years
Leslie Arnould	Retired University Administrator	Club Director 16 years
Brian Wheeler	Retired	Resigned 11/10/2022
Keith Brewster	Retired	Club Director 8 years
Helen Garven	Retired	Club Director 6 years
Sharon Danhel	Retired	Club Director 6 years
Mitchell Heron	NSW Health	Appointed 1/11/2022

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

Meeting of Directors

During the financial year, 20 meetings of directors were held. Attendances by each director were as follows:

Director	DIRECTORS' MEETINGS		
	Number Eligible to Attend	Number Attended	Apologies
M.J. McCaskill	20	20	0
B. Wheeler	6	5	1
E. Morello	20	18	2
K. Brewster	20	18	2
M. Heron	10	10	0
L. Arnould	20	15	5
S Danhel	20	18	2
H Garven	20	17	3

The company's objectives are to provide members and their guests with recreational and social club facilities of the highest quality. In order to achieve these goals the company actively manages and maintains the clubhouse and associated equipment. Also the company pursues a strategy of developing a strong asset base from which long term income streams will be generated. The Motel operation and the Baylink Centre complement this strategy. The revenues provided by these assets will ensure the future availability of funds to meet the company's stated objectives.

For the financial year ended 30 June 2023 the company received \$248,662 in State Government financial assistance.

The company's principal activities during the year were the operation of a licensed club, a motel and commercial rental property. By their nature these activities assist in achieving the company's goals.

Key performance indicators are approved by the Board and reported on by the CEO to the Board on a monthly basis. The key performance indicators include financial and non-financial measures.

The company is limited by guarantee and its Constitution states that, in the event of its winding up, each member is required to contribute a maximum of \$5 towards meeting any outstanding liabilities of the club.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2023 has been received and can be found on page 4 of the financial report.

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

Batemans Bay Soldiers Club Limited

ABN: 79 001 044 971

Auditor's Independence Declaration Under Section 307C of the Corporations Act 2001 To the Directors of Batemans Bay Soldiers Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there have been no contraventions of:

the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

any applicable code of professional conduct in relation to the audit.

GLEESON & PARTNERS

Joseph O'Sullivan

Date: 6th September 2023

Shop 23 Fenning Place
12-18 Orient Street
Batemans Bay NSW 2536

Batemans Bay Soldiers Club Limited

ABN: 79 001 044 971

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue	2	17,641,778	13,922,913
Changes in inventories of finished goods		(608)	13,774
Raw materials and consumables used		(1,070,902)	(803,575)
Employee benefits expense		(3,983,101)	(3,305,753)
Depreciation and amortisation expenses		(1,956,750)	(1,979,240)
Marketing and administration expenses		(5,814,792)	(4,559,742)
Repairs and maintenance expenses		(735,087)	(623,076)
Audit, legal and consulting expenses		(208,882)	(125,166)
Finance costs		(108,006)	(94,855)
Other expenses		231,095	158,406
Profit before income tax		3,532,555	2,286,874
Income tax expense	4	353,859	441,624
Profit for the year		3,178,696	1,845,250
Other comprehensive income:			
Other comprehensive income for the year, net of tax			
Total comprehensive income for the year		3,178,696	1,845,250

The accompanying notes form part of these financial statements.

Batemans Bay Soldiers Club Limited

ABN: 79 001 044 971

**Statement of Financial Position
as at 30 June 2023**

	Note	2023 \$	2022 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	10,243,812	9,218,772
Trade and other receivables	6	46,640	43,896
Inventories	7	77,651	78,259
Other assets	8	343,490	103,774
Current tax asset		-	75,032
Total Current Assets		10,711,593	9,519,733
Non-Current Assets			
Property, plant and equipment	9	31,823,167	32,683,391
Deferred tax asset	10	42,156	55,738
Total Non-Current Assets		31,865,323	32,739,129
Total Assets		42,576,916	42,258,862
LIABILITIES			
Current Liabilities			
Trade and other payables	11	866,027	709,109
Borrowings	12		531,368
Provisions	13	831,416	814,416
Current tax liabilities		62,525	
Total Current Liabilities		1,759,968	2,054,893
Non-Current Liabilities			
Borrowings	12	-	2,565,717
Total Non-Current Liabilities		-	2,565,717
Total Liabilities		1,759,968	4,620,610
Net Assets		40,816,948	37,638,252
EQUITY			
Retained earnings		40,816,948	37,638,252
Total Equity		40,816,948	37,638,252

The accompanying notes form part of these financial statements.

Batemans Bay Soldiers Club Limited

ABN: 79 001 044 971

**Statement of Changes in Equity
for the year ended 30 June 2023**

	Retained Earnings \$	Total \$
Balance at 1 July 2021	35,793,002	35,793,002
Comprehensive Income		
Profit for the year	1,845,250	1,845,250
Other comprehensive income for the year	-	-
Balance at 30 June 2022	37,638,252	37,638,252
Balance at 1 July 2022	37,638,252	37,638,252
Comprehensive Income		
Profit for the year	3,178,696	3,178,696
Other comprehensive income for the year		
Balance at 30 June 2023	40,816,948	40,816,948

The accompanying notes form part of these financial statements

Batemans Bay Soldiers Club Limited

ABN: 79 001 044 971

Statement of Cash Flow
for the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers		18,886,855	15,182,303
Government grant and subsidy		248,662	101,690
Payments to suppliers and employees		(14,030,267)	(10,938,259)
Interest received		217,442	11,254
Finance costs		(108,006)	(94,855)
Income tax paid		202 720	408 228
Net cash provided by operating activities		5 011 966	3 853 905
Cash flows from investing activities			
Purchase of property, plant and equipment	4	889 841	1 010 595
Net cash (used in) investing activities		889 841	1 010 595
Cash flows from financing activities			
Repayment of borrowings		3 097 085	528 113
Net cash (used in) financing activities		3 097 085	528 113
Net increase/(decrease) in cash held		1,025,040	2,315,197
Cash at beginning of financial year		9 218 772	6 903 575
Cash at end of financial year	5	10,243 812	9 218 772

The accompanying notes form part of these financial statements

Batemans Bay Soldiers Club Limited

ABN: 79 001 044 971

Notes to the financial statements
for the year ended 30 June 2023**Note 1: Summary of Significant Accounting Policies****Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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. 4

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 financial statements were authorised for issue on 7 September 2023 by the directors of the company

Accounting Policies**a Going Concern**

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

In the event that the Club is unable to continue as a going concern, the Club may not be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

b. Revenue**(i) Provision of services**

Revenue from the provision of services includes membership subscriptions, motel operations and commissions. Revenue from the provision of services is recognised in the period over which the Company satisfies its performance obligations or series of performance obligations to its customers. Revenue is recognised to the extent that recovery of the contract consideration is considered probable and the amount of revenue can be measured reliably. Revenue is deferred to the extent that the Company has not met its performance obligations to its customers. Revenue is recognised using the output method under the terms of each contractual arrangement with customers.

(ii) Revenue from gaming

Revenue from gaming is recognised at a point in time being the net difference between gaming wins and losses for the day and is recognised at the close of business each day.

(iii) Revenue from beverages

Beverages revenue is recognised at the point in time in which the goods are provided to customers and payment is collected.

(iv) Rent Revenue

Rental income is recognised on a straightline basis over the term of the lease, except where an alternative basis is more representative of the parent of services rendered through the provision of the leased premises. Tenants are invoiced per contractual arrangements and revenue is recognised over the period.

(v) Other Revenue

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

(vi) Jobsaver government grant

Jobsaver government grant revenue is recognised on a gross basis when there is a reasonable assurance that the Company is able to comply with the conditions attached to the program, receipt of monies is considered probable and related employee expenses are incurred.

Notes to the financial statements
for the year ended 30 June 2023

- c. **Inventories**
Inventories are measured at the lower of cost and net realisable value.
- d **Property, Plant and Equipment**
Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation
The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2 – 5%
Plant and equipment	5 – 100%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

- e. **Leases**

The Company as lessee

At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Company where the Company is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Notes to the financial statements
for the year ended 30 June 2023

- c. Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The Company as lessor

The Company leases a building, a restaurant and rooms to external parties.

Upon entering into each contract as a lessor, the Company assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (for example legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Rental income due under finance leases are recognised as receivables at the amount of the Company's net investment in the leases.

When a contract is determined to include lease and non-lease components, the Company uses the relative stand-alone price to allocate the consideration under the contract to the lease and non-lease components. Refer Note 22.

- f **Financial Instruments**

Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are timeframes established by marketplace convention.

Financial instruments are initially measured at cost. Financial instruments are classified and measured as set out below.

Classification and Subsequent Measurement

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at cost.

(ii) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are measured at cost.

- g **Impairment of Assets**

At the end of each reporting period, the company 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 asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised in profit or loss.

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

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

Notes to the financial statements
for the year ended 30 June 2023

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

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Notes to the financial statements
for the year ended 30 June 2023

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

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

l Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

m Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

n 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 company 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.

o Borrowing Costs

Borrowing costs are recognised in income in the period in which they are incurred.

p Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates

(i) Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment charge has been recognised in respect of any asset for the year ended 30 June 2023.

(ii) Useful lives of property, plant and equipment

As described in Note 1(d), the Company reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

(iii) Valuation of freehold land and buildings

At 30 June 2023, the directors have performed a directors' valuation on the freehold land and buildings. The valuation was made on the basis of open market value. The directors believe the carrying amount of the land and buildings of \$29 million does not exceed the fair value less costs of disposal at 30 June 2023.

Key judgements

(i) Employee benefits

For the purpose of measurement, AASB119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the entity expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows (despite an informal internal policy that requires annual leave to be used within 18 months), the directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

Batemans Bay Soldiers Club Limited

ABN: 79 001 044 971

Notes to the financial statements for the year ended 30 June 2023

New and amended Accounting Standards Adopted by the Company

AASB 2020-3: *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*

The Company adopted AASB 2020-3 which makes some small amendments to a number of standards including the following: AASB 1, AASB 3, AASB 9, AASB 116, AASB 117 and AASB 141.

The adoption of the amendment did not have a material impact on the financial statements.

AASB 2021-7a: *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections.*

AASB 2020-7a makes various editorial corrections to a number of standards effective for reporting periods beginning on or after 1 January 2022. The adoption of the amendment did not have a material impact on the financial statements.

AASB 2022-3 *Amendments to Australian Accounting Standards – Illustrative Example for Not-for-Profit Entities accompanying AASB 15.*

AASB 2022-3 amends Australian illustrative examples for not-for-profit entities accompanying AASB15: Revenue from Contracts with Customers to illustrate how AASB 15 applies to the recognition and measurement of upfront fees. The amendments do not change the requirements of AASB 15.

The Basis for Conclusion also document the Board's decision to retain the accounting policy choice on an ongoing basis for NFP private sector lessees to elect to initially measure a class of ROU assets arising under concessionary leases at cost or at fair value.

The adoption of the amendment did not have a material impact on the financial statements.

Note 2: Revenue and Other Income

	Note	2023 \$	2022 \$
Sales Revenue			
- sales to customers		4,117,592	3,101,449
- poker machine revenue		10,634,099	8,526,638
- members subscriptions		62,185	72,389
- auditorium takings		322,445	206,983
- commissions received		229,219	176,911
- bingo revenue		13,885	10,122
- rents received		1,618,200	1,585,814
- conference room fees		86,564	51,234
- other income		88,705	78,429
- insurance recovery		2,780	-
		<u>17,175,674</u>	<u>13,809,969</u>
Other Revenue			
- interest received	2a	217,442	11,254
- Jobsaver subsidy		248,662	101,690
Total Revenue		<u>17,641,778</u>	<u>13,922,913</u>
a. Total interest revenue on financial assets not at fair value through profit or loss.		<u>217,442</u>	<u>11,254</u>

Batemans Bay Soldiers Club Limited

ABN: 79 001 044 971

Notes to the financial statements for the year ended 30 June 2023

Note 3: Profit for the year

a. Income	2023 \$	2022 \$
Profit on disposal of property, plant and equipment	9,116	13,636
b. Expenses	2023 \$	2022 \$
Cost of sales	1,071,510	789,801
Interest expense on financial liabilities not at fair value through profit or loss	108,006	94,855

Note 4: Income Tax Expense

a. The components of tax expense comprise:

Current tax expense	2023 \$	2022 \$
Current year	340,277	155,389
	<u>340,277</u>	<u>155,389</u>
Deferred tax benefit	2023 \$	2022 \$
Reversal of temporary differences	13,582	286,235
	<u>13,582</u>	<u>286,235</u>
Total tax expense	353,859	441,624

b. The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:

	2023 \$	2022 \$
Prima facie tax payable on profit from ordinary activities before income tax at 25.0% (2022:25.0%)	883,139	571,719
Less: Tax effect of: - non-assessable mutual income	542,862	416,330
Add: Tax effect of: - temporary differences	13,582	286,235
Income tax attributable to company	<u>353,859</u>	<u>441,624</u>

Batemans Bay Soldiers Club Limited

ABN: 79 001 044 971

Notes to the financial statements for the year ended 30 June 2023

Note 4: Income Tax Expense (continued)

- c. The company has capital tax losses of \$562,142 (2022: \$562,142) for which no deferred tax asset has been recognised. These losses are available to be carried forward and offset against any future capital gain.

Note 5: Cash and Cash Equivalents

	2023 \$	2022 \$
CURRENT		
Cash on hand	610,250	610,250
Cash at bank	9 633 562	8 608 522
	<u>10 438 812</u>	<u>9 218 772</u>

Note 6: Trade and Other Receivables

	2023 \$	2022 \$
CURRENT		
Trade receivables	23,242	19,896
Other receivables	23,398	24,000
Provision for impairment	-	-
	<u>46,640</u>	<u>43,896</u>

Note 7: Inventories

	2023 \$	2022 \$
CURRENT		
At cost		
- Bar Stock	77 651	78 259
	<u>77 651</u>	<u>78 259</u>

Note 8: Other Assets

	2023 \$	2022 \$
CURRENT		
Prepayments	343 490	103 774
	<u>343 490</u>	<u>103 774</u>

Note 9: Property, Plant and Equipment

	2023 \$	2022 \$
LAND AND BUILDINGS		
Freehold land at:		
- cost	5 105 480	5 105 480
Total land	<u>5 105 480</u>	<u>5 105 480</u>
Buildings at:		
- cost	48,722,603	48,602,982
Less accumulated depreciation	24 729 762	23 534 715
Total buildings	<u>23 992 841</u>	<u>25 068 267</u>
Total land and buildings	<u>29 098 321</u>	<u>30 173 747</u>
Plant and equipment:		
- at cost	8,613,475	8,295,448
Accumulated depreciation	(5,888,629)	(5,785,804)
Accumulated impairment losses		
	<u>2 724 846</u>	<u>2 509 644</u>
Total plant and equipment	<u>2 724 846</u>	<u>2 509 644</u>
Total property, plant and equipment	<u>31,823,167</u>	<u>32,683,391</u>

Batemans Bay Soldiers Club Limited

ABN: 79 001 044 971

Notes to the financial statements for the year ended 30 June 2023

Note 9: Property, Plant and Equipment (continued)

a. Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Freehold Land \$	Buildings \$	Plant and Equipment \$	Total \$
2023				
Balance at beginning of the year	5,105,480	25,068,267 ¹	2,509,644	32,683,391
Additions		119,621	1,007,653	1,127,274
Disposals			(30,748)	(30,748)
Depreciation expense	-	1 195 047	761 703	1 956 750
Carrying amount at the end of the year	<u>5 105 480</u>	<u>23 992 841</u>	<u>2 724 846</u>	<u>31 823 167</u>

b. Impairment losses

No impairment losses were incurred during the year.

Note 10: Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		(Liabilities)		Net Deferred Tax Assets/(Liabilities)	
	2023	2022	2023	2022	2023	2022
Employee Benefits	62,356	46,829			62,356	46,829
Property, plant and equipment			20 200			
Net deferred tax assets	<u>62,356</u>	<u>55,738</u>	<u>(20,200)</u>		<u>42,156</u>	<u>55,738</u>

Note 11: Trade and Other Payables

	2023 \$	2022 \$
CURRENT		
Unsecured liabilities		
- Trade payables	115,026	54,329
- Sundry payables and accrued expenses	726,118	637,288
- Contract liability	24 883	17 492
	<u>866 027</u>	<u>709 109</u>
	2023 \$	2022 \$
a. Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables:		
- total current	866,027	709,109
- total non-current		
Net carrying value	<u>866,027</u>	<u>709,109</u>
Less contract liability	24 883	17 492
Financial liabilities as trade and other payables	<u>841,144</u>	<u>691,617</u>

Batemans Bay Soldiers Club Limited

ABN: 79 001 044 971

**Notes to the financial statements
for the year ended 30 June 2023****Note 12: Borrowings**

	Note	2023 \$	2022 \$
CURRENT			
Bank loan secured	11c,d		531 368
			531 368
NON-CURRENT			
Bank loan secured	11c,d		565 717
		-	2 565 717
a. Total current and non-current secured liabilities:			
Bank loan		-	3 097 085
		-	3 097 085
b. The carrying amounts of non-current assets pledged as security are:			
		2023 \$	2022 \$
First mortgage			
- Freehold land and buildings		29 098 321	30 173 747
		29 098 321	30 173 747

c. The bank loan was secured by a registered first mortgage over the freehold properties of the company and a fixed and floating charge over all other assets of the company.

d. The bank loan was paid out during the year

Note 13: Provisions

	2023 \$	2022 \$
CURRENT		
Provision for employee benefits:		
Annual leave	336,368	328,368
Provision for employee benefits:		
Long service leave	342,461	338,460
Provision for employee benefits:		
Sick leave	152 587	147 588
	831 416	814 416

Batemans Bay Soldiers Club Limited

ABN: 79 001 044 971

**Notes to the financial statements
for the year ended 30 June 2023****Note 13: Provisions (continued)**

	2023 \$ Employee Benefits	2023 \$ Total
Analysis of total provisions:		
Opening balance at 1 July 2022	814,416	814,416
Additional provisions raised during the year	265,438	265,438
Amounts used	(248,438)	(248,438)
Balance at 30 June 2023	831,416	831,416

Provision for Employee Benefits

Provision for employees benefits represents accrued for annual leave, long service leave and sick leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements and the amounts accrued for sick leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave, long service leave or sick leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlement that have not yet vested in relation to those employees who have not yet completed the required period of service.

c.

In calculating the present value of future cash flows in respect of long service, the probability of long service being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(h).

Note 14: Capital and Leasing Commitments

	2023 \$	2022 \$
<i>Capital Expenditure Commitments</i>		
- Plant and equipment	4,573	

There are no lease commitments.

Note 15: Contingent Liabilities and Contingent Assets

Estimates of the potential financial effect of contingent liabilities that may become payable:

	2023 \$	2022 \$
<i>Contingent Liabilities</i>		
Club Promotions Bonus Point	37,869	43,551

Note 16: Events After 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 company, the results of those operations, or state of affairs of the company in future financial years.

Batemans Bay Soldiers Club Limited

ABN: 79 001 044 971

Notes to the financial statements for the year ended 30 June 2023

Note 17: Key Management Personnel Compensation

Any person(s) having authority and responsibility for planning, directing and controlling activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

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

	2023	2022
	\$	\$
Key management personnel compensation	243 435	218 254
	1	

Note 18: Other Related Party Transactions

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

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

During the year a company controlled by the wife of director Ennio Morello provided accommodation facilities for \$11,768.

Note 19: Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and bank loans.

The totals for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments as detailed in the accounting policies to these financial statements, are as follows:

	Note	2023	2022
		\$	\$
FINANCIAL ASSETS			
Financial assets at amortised cost:			
- cash and cash equivalents	5	10,243,812	9,218,772
- loans and receivables	6	46 640	43 896
		10 290 452	9 262 668
FINANCIAL LIABILITIES			
Financial liabilities at amortised cost			
- trade and other payables	1	841,144	691,617
- borrowings	2	-	3 097 085
		841 144	3 788 702

Batemans Bay Soldiers Club Limited

ABN: 79 001 044 971

Notes to the financial statements for the year ended 30 June 2023

Note 20: Operating Segments

Segment Information

Identification of reportable segments

The club, located in Batemans Bay provides members and their guests with amenities and facilities usually associated with a social club. The club also operates a Motel in Batemans Bay which is a separate operation to the club and this provides the usual facilities associated with a motel. The club has constructed a commercial building that is leased to various parties.

Types of products and services by segments

The club, located in Batemans Bay provides members and their guests with amenities and facilities usually associated with a social club. The club also operates a Motel in Batemans Bay which is a separate operation to the club and this provides the usual facilities associated with a motel. The club has constructed a commercial building that is leased to various parties.

Basis of accounting for purposes of reporting by operating segments

a. Accounting policies adopted
Unless stated otherwise, all amounts reported to the Board of Directors are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the company.

b. Inter-segment transactions
An internally determined transfer price is set for any inter-segment sales.

Corporate charges are allocated to reporting segments based on the segments' overall proportion of revenue generation within the company.

c. Segment assets
Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

d. Segment liabilities
Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment.

i. Segment performance

	Licensed Club	Motel	Baylink	Total
	\$	\$	\$	\$
30 June 2023				
Income				
Revenue	14 612 225	1 512 153	1 517 400	17 641 778
Total Income	14 612 225	1 512 153	1 517 400	17 641 778
Segment net profit/(loss) before tax	2 451 841	516 956	563 758	3 532 555
30 June 2022				
Income				
Revenue	11 234 563	1 170 950	1 517 400	13 922 913
Total income	11 234 563	1 170 950	1 517 400	13 922 913
Segment net profit/(loss) before tax	1 322 777	292 211	671 886	2 286 874

Batemans Bay Soldiers Club Limited

ABN: 79 001 044 971

**Notes to the financial statements
for the year ended 30 June 2023****Note 20: Operating Segments (continued)***ii. Segment assets*

	Licensed Club \$	Motel \$	Baylink \$	Total \$
30 June 2023 Segment assets				
Current	10,664,388	35,532	11,673	10,711,593
Non-current	16,920,676	250,403	12,694,244	31,865,323
	27,585,064	2,285,935	12,705,917	42,576,916
30 June 2022 Segment assets				
Current	9,441,752	77,981		9,519,733
Non-current	17,382,443	2,241,470	13,115,216	32,739,129
	26,824,195	2,319,451	13,115,216	42,258,862

iii. Segment liabilities

	Licensed Club \$	Motel \$	Baylink \$	Total \$
30 June 2023 Segment liabilities				
Current	1,704,500	54,757	711	1,759,968
Non-current	1,704,500	54,757	711	1,759,968
30 June 2022 Segment liabilities				
Current	1,477,438	45,788	531,667	2,054,893
Non-current	-	-	2,565,717	2,545,717
	1,477,438	45,788	3,097,384	4,620,610

Note 21: Auditor's Remuneration

	2023 \$	2022 \$
Remuneration of the Auditor		
- auditing or reviewing the financial statements	40,300	35,290
- taxation services	7,800	7,600
	48,100	42,890

Note 22 Baylink Lease

The company has leased the building to a Federal Government Agency for a four year period terminating December 2024.

The rental income is fixed over the term of the lease at \$1,517,400 per annum. The lease provides for a four year option to be exercised at the discretion of the lessee.

Note 23: Members' Guarantee

The company is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the club is wound up, the Company's Constitution states that each member is required to contribute a maximum of \$5 towards meeting any outstanding liabilities of the club. At 30 June 2023 the number of members was 11,328.

Batemans Bay Soldiers Club Limited

ABN: 79 001 044 971

Directors' Declaration

The directors of the company declare that:

- The financial statements and notes, as set out on pages 5 to 22, satisfy the requirements of the *Corporations Act 2001* and:
 - comply with Australian Accounting Standards – Simplified Disclosures applicable to the company; and
 - give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date.
- In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director: M J McCaskill

Dated this 7th day of September 2023



Independent Auditor's Report to the members of Batemans Bay Soldiers Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Batemans Bay Soldiers Club Limited (the company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Batemans Bay Soldiers Club Limited is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) 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 of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 : *Code of Ethics for Professional Accountants* (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 Batemans Bay Soldiers Club Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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

J.P. O'Sullivan – CPA



Gleeson & Partners is a
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Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – AASB 1060: General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

Batemans Bay Soldiers Club Limited

ABN: 79 001 044 971

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the company or business activities within the company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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.

GLEESON & PARTNERS

Joseph P. O'Sullivan

Dated this 7th day of September 2023

Shop 23 Fenning Place
12-18 Orient Street
Batemans Bay NSW 2536



GLEESON & PARTNERS

Certified Practising Accountants

7th September 2023

The Directors
Batemans Bay Soldiers Club Ltd
Beach Road
BATEMANS BAY NSW 2536

1

Dear Directors,

Re: Audit for the year ended 30 June 2023

We report having completed the audit of the financial statements and records of Batemans Bay Soldiers Club for the year ended 30 June 2023.

We conducted our audit in accordance with the Engagement Letter previously exchanged with management.

We obtained reasonable assurance that the financial statements were prepared in accordance with the requirements of the relevant financial reporting framework and give a true and fair view of the company's financial position as at 30 June 2023 and of its financial performance and cash flows for the year ended on that date. No significant issues were noted during the course of the audit and an unqualified audit opinion has been issued.

Scope of the Audit

Our audit was conducted with the objective of expressing an opinion on the financial statements.

We conducted our audit in accordance with Australian Auditing Standards. Those Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement. An audit involves performing audit procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of the financial reporting framework, accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Because of the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, there is an unavoidable risk that even some material misstatements may remain undetected, even though the audit is properly planned and performed in accordance with Australian Accounting Standards.

In making our risk assessments, we have considered internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. No significant deficiencies in internal control relevant to the audit of the financial statements came to our attention during the audit.

J.P. O'Sullivan – CPA



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Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with the relevant financial reporting framework and for such internal control as the Directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Audit Adjustments and Unadjusted Misstatements

We advise that there are no audit adjustments required to the financial statements and nor are there any unadjusted misstatements.

Written Representations

As part of the audit we obtained a 'representation letter' from the Directors attesting to certain matters relevant to the preparation of the financial report. In addition, we received representations from management in relation to the risks of material misstatement due to fraud and non-compliance with laws and regulations. There were no significant risks of material fraud or non-compliance with laws and regulations noted, and no instances of fraud or non-compliance brought to our attention.

Observations

We can report that there are no matters we believe need to be drawn to your attention. The procedures and performance of our audit has been designed to enable us to form an opinion on the financial statements as a whole. As such our testing did not extend to all transactions and controls and this report should not be seen as a comprehensive statement of any or all matters that may exist. The Directors and Management are responsible for implementing and maintaining an effective internal control system.

Independence

We confirm that, to the best of our knowledge and belief, we have followed the independence requirements of the relevant standards issued by the Accounting Professional and Ethical Standards Board in relation to the audit of the financial statements.

This letter has been prepared solely for the information of Directors and Management and is prepared as part of continuing communication between ourselves and the Directors and Management. This letter should not be provided to any third party and we do not accept responsibility for any reliance that a third party may place on this letter.

As a corporate governance procedure we recommend that this post audit letter be tabled at the next Board Meeting of the Company and we would appreciate any comments that the Board may wish to make in respect of our audit or our observations.

We take this opportunity to thank your staff for their assistance and courtesy during our audit.

Yours faithfully,

J.P. O'Sullivan - CPA
GLEESON & PARTNERS



GLEESON & PARTNERS
Certified Practising Accountants

7th September 2023

Batemans Bay Soldiers Club Ltd
Beach Road
BATEMANS BAY NSW 2536

Dear Directors,

Independence

We confirm that for the audit of the financial report of Batemans Bay Soldiers Club Ltd for the year ending 30 June 2023, we have maintained our independence in accordance with the requirements of Gleeson & Partners, the provisions of all relevant Professional Statements, and with the provisions of the *Corporations Act 2001*.

In the spirit of this confirmation, we have prepared the following comments to enable you to have a clear understanding of the issue.

Other Services

We have not carried out any engagements for Batemans Bay Soldiers Club Ltd that would impair our firm's professional independence as auditor.

Any services provided, specifically assistance with preparation of annual financial statements and taxation matters, are subject to our own and the profession's strict rules and policies regarding auditor independence, as well as to certain statutory requirements. We enforce these rules and policies in order to maintain objectivity and to be free of conflicts of interest when discharging our professional responsibilities.

Some of the safeguards we follow with regard to auditor independence in relation to the provision of these services include ensuring:

- The services have not involved us acting in a managerial or decision-making capacity, or being involved in the processing or originating of transactions;
- The services have only been provided where we are satisfied that the related function or process will not have a material bearing on our planned audit procedures and would not involve us auditing our own work;
- The staff involved in the provision of non-audit services have not participated in Batemans Bay Soldiers Club Ltd's associated approval or authorisation processes.

Based on the above safeguards, we are satisfied that the provision of other services has not in any way compromised our independence as external auditor of Batemans Bay Soldiers Club Ltd.

Unresolved disagreements

We have not had any unresolved disagreements with management about matters that individually or in aggregate could be significant to the financial report. Furthermore, management has not sought to influence our views on matters relevant to our opinion.

J.P. O'Sullivan - CPA



Gleeson & Partners is a
CPA practice

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Liability limited by a scheme
approved under Professional Standards
Legislation

Financial interests

As your auditor, direct and material indirect investment in Batemans Bay Soldiers Club Ltd is prohibited to us, subject to certain grandfathering provisions for immaterial investments. In summary this prohibition extends to:

- All professional staff, and superannuation fund controlled by them;
- The families of these professional staff.

We seek annual confirmation from partners and staff that they have complied with this requirement. Based on the results of this confirmation, we are not aware of any instances where partners or staff are not in compliance with this requirement in relation to this engagement.

Other relationships

We are not aware of any situations where a spouse or close relative of a partner or staff members involved in the audit occupies a position as a director or executive of Batemans Bay Soldiers Club Ltd.

We are not aware of any situations where a partner or staff member has accepted a position of employment with Batemans Bay Soldiers Club Ltd.

This report is intended solely for the use of the Board of Directors, management, and other entities within Batemans Bay Soldiers Club Ltd and should not be used for any other purpose.

Yours faithfully

J.P. O'Sullivan - CPA
GLEESON & PARTNERS

Batemans Bay Soldiers Club Limited

Directors Valuation of Land & Buildings as at 30/06/2023

	Original Cost	W D V 30/06/2023
Original Land	143,350	
Beach Road Land	595,083	
Museum Place Land	4,232,289	
Lot 7 High Street	134,758	
Club House	26,305,276	
Club Car Park	728,874	
	32,139,630	
Less Accum Depn	(17,737,770)	14,401,860
Motel	4,197,595	
Less Accum Depn	(1,919,726)	2,277,869
Baylink	17,490,858	
Less Accum Depn	(5,072,266)	12,418,592
Carrying Value 30/06/23	\$	29,098,321
Valuation by Directors 30/06/20	\$	30,000,000

Asset Purchases Y/E 30/6/23

Club building	\$ 6,823
Club P/E	934,119
Motel P/E	21,337
Motel building	112,798
Baylink P/E	52,197

BATEMANS BAY SOLDIERS CLUB - FISHING CLUB INC.

INCOME STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2023

	2023	2022
INCOME		
Members Subscriptions	443	347
Soldiers Club Raffle	29635	16744
BBQ Functions	4671	2935
BBQ Raffles	1203	747
Presentation and AGM	881	0
Interest Received	15	40
Donations - Batemans Bay Soldiers Club Limited	1175	980
Other Income	2965	60
Total Income	\$ 40988	21853

Less EXPENSES

Raffles	8545	7455
BBQ Functions	6950	4109
Repairs & Maintenance	441	221
Presentation and AGM	6316	1312
Trophies	1846	714
Postage, Stationery, Typewriters etc.	607	273
Licences, Fees & Subscriptions	50	48
Bank Charges	2	10
Insurance	1397	1372
Sundry Other Expenses	2137	90
Depreciation	0	0
Total Expenses	\$ 28291	15604

NET PROFIT FOR THE YEAR TRANSFERRED TO MEMBERS EQUITY

\$ 12697	6249
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BATEMANS BAY SOLDIERS CLUB - FISHING CLUB INC.

BALANCE SHEET AS AT 30TH JUNE, 2023

CURRENT ASSETS

Cash on Hand	100	100
Bendigo Bank - Working Account	31133	15085
Credit Union of Canberra - Investment Account	0	5000
Total Current Assets	\$ 31233	20185

NON-CURRENT ASSETS

Plant & Equipment	5981	5981
Less: Accumulated Depreciation	(5981)	(5981)
Total Non-Current Assets	\$ 0	0

Total Assets

\$ 31233	20185
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CURRENT LIABILITIES

S Scott Memorial Trophy Fund	0	2000
GST Payable	816	550
Input Tax credit	(267)	(351)
Total Current Liabilities	549	2198

Net Assets

30684	17987
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Represented By:

MEMBERS EQUITY

Balance as at 1st July, 2022	17987	11738
Plus Net Profit for the year	12697	6249
Balance as at 30th June, 2023	30684	17987

NOTE 1 Statement of Accounting Policies

The committee have prepared the financial statements on the basis that the Fishing Club is a non-reporting entity because there are no users dependant on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

The financial statements have been prepared in accordance with the significant accounting policies that the committee have determined are appropriate to meet the needs of the members.

The financial statements have been prepared on a cash basis and are based on historical costs.

**INDEPENDENT AUDITORS REPORT
TO MEMBERS OF BATEMANS BAY SOLDIERS CLUB FISHING CLUB**

Opinion

We have audited the financial report of Batemans Bay Soldiers Club Fishing Club (Fishing Club), which comprises the balance sheet as at 30 June 2023, the income statement 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 presents fairly, in all material respects the financial position of the Fishing Club as at 30 June 2023, and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 of the financial report.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the 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 Statement in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter – Basis of accounting and Restriction on Distribution and Use

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report is prepared to assist the Fishing Club in complying with the financial reporting provisions of its constitution. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Fishing Club and its members and should not be distributed to or used by parties other than the Fishing Club and its members. Our opinion is not modified in respect of this matter.

Responsibilities of the Committee and Those Charged with Governance for the Financial Report

The committee members are responsible for the preparation of the financial report in accordance with the financial reporting provisions of the constitution and for such internal control as the committee determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the Fishing Club'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 the committee either intends to liquidate the Fishing Club or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fishing Club's financial reporting process.

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 Australian Auditing Standards, we exercise professional judgment 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 an opinion on the effectiveness of the Fishing Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee's 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 Fishing Club'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 Fishing Club 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.

GLEESON & PARTNERS

**J.P. O'Sullivan – CPA
Registered Company Auditor**

Dated in Batemans Bay, this 7th day of September 2023

BATEMANS BAY SOLDIERS CLUB - DARTS CLUB

INCOME STATEMENT

FOR THE YEAR ENDED 30TH JUNE, 2023

	2023	2022
INCOME		
Competition Fees including Darts/Flights	1177	869
Donation - Batemans Bay Soldiers Club Limited	2	0
Membership Subscriptions	38	38
Other Income		0
Total Income	\$ 1217	907
Less EXPENSES		
Affiliation Fees	64	0
Catering and Refreshments	732	(27)
Trophies & Badges	219	0
Replacements	273	0
Registration	109	127
Total Expenses	\$ 1397	100
NET PROFIT FOR YEAR TRANSFERRED TO MEMBERS EQUITY	\$ (180)	807

BATEMANS BAY SOLDIERS CLUB - DARTS CLUB

BALANCE SHEET

AS AT 30TH JUNE, 2023

CURRENT ASSETS

National Australia Bank - Current Account

	3959	4146
Total Current Assets	\$ 3959	4146

CURRENT LIABILITIES

GST Payable

	(30)	(27)
Input Tax credit	11	0

Total Current Liabilities	\$ (19)	(27)
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NET ASSETS

	\$ 3940	4119
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Represented By:

Members Equity

Balance as at 1st July, 2022

	4119	4119
Plus Net Profit for the year	(179)	0

Balance as at 30th June, 2023	\$ 3940	4119
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NOTE 1 Statement of Accounting Policies

The committee have prepared the financial statements on the basis that the Darts Club is a non-reporting entity because there are no users dependant on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

The financial statements have been prepared in accordance with the significant accounting policies that the committee have determined are appropriate to meet the needs of the members.

The financial statements have been prepared on a cash basis and are based on historical costs.

INDEPENDENT AUDITORS REPORT TO MEMBERS OF BATEMANS BAY SOLDIERS CLUB DARTS CLUB

Opinion

We have audited the financial report of Batemans Bay Soldiers Club Darts Club (Darts Club), which comprises the balance sheet as at 30 June 2023, the income statement 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 presents fairly, in all material respects the financial position of the Darts Club as at 30 June 2023, and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 of the financial report.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the 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 Statement in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter – Basis of accounting and Restriction on Distribution and Use

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report is prepared to assist the Darts Club in complying with the financial reporting provisions of its constitution. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Darts Club and its members and should not be distributed to or used by parties other than the Darts Club and its members. Our opinion is not modified in respect of this matter.

Responsibilities of the Committee and Those Charged with Governance for the Financial Report

The committee members are responsible for the preparation of the financial report in accordance with the financial reporting provisions of the constitution and for such internal control as the committee determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the Darts Club'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 the committee either intends to liquidate the Darts Club or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Darts Club's financial reporting process.

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 Australian Auditing Standards, we exercise professional judgment 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 an opinion on the effectiveness of the Darts Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee's 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 Darts Club'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 Darts Club 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.

GLEESON & PARTNERS

J.P. O'Sullivan – CPA
Registered Company Auditor

Dated in Batemans Bay, this 7th day of September 2023

