

Emu Plains Sporting and Recreation Club Limited

ABN 83 000 701 922

Annual Report - 31 December 2023



Emu Plains Sporting and Recreation Club Limited

Chairman's Report 2023

Dear Members,

It is with great pleasure as Chairman that I present the Annual Report to the members of the Emu Plains Sporting & Recreation Club Limited for your consideration and adoption.

2023 started with a change in CEO and the subsequent commencement of Corey Fletcher in May 2023. Corey's dedication and drive along with support from his management team and staff has resulted in significantly stronger performance from bar, catering and golfing operations as membership grew by 26% over 2022 to 8,380.

The key focus on member amenity and experience and the financial security of the club has resulted in a significant turnaround on the operating loss for 2022 of (\$150,177) to a profit of \$338,438. This is an extremely positive result given it was achieved despite a downturn in gaming revenue, and it was only possible through the continued support and loyalty of our members.

As in 2022 many thanks to all our hard-working individuals including Management, Staff, the Pro Shop, Course Contractor - Superior Turf Services, the Men's and Ladies Golf committees and our wonderful volunteers who continue to provide outstanding service to ensure the club's vision and values are achieved as we support the local community and junior sporting teams.

In reporting on the operating result, the year has not been without its challenges with continued financial uncertainty affecting everyone dominated by higher interest rates and increased cost of living pressures. In addition, we continue to monitor and manage the interaction of the golf course with adjoining development and appreciate the continued patience of our members. This has resulted in changes to the layout of the golf course as we work together to provide an environment that is beneficial to both members and residents.

To my fellow Directors thank you for your continued efforts in a challenging environment as we look to focus on the Club's financial strength in conjunction with governance requirements. We continue to implement a clear vision for the future of the club and our green space in partnership with our CEO.

Finally, I would like to convey a special thanks to our retiring Directors Melissa Haywood and Brendan McKeown and they leave us with our best wishes in their future endeavours.

Alex Martin
Chairman of the Board

Emu Plains Sporting and Recreation Club Limited

CEO REPORT

It brings me immense pleasure to deliver my inaugural CEO's report to our members, signifying a truly noteworthy year for the Club. I extend my heartfelt gratitude to our devoted board of directors, led by Chairman Alex Martin, whose unwavering support has been paramount to our achievements this year.

Commencing my tenure on May 31st amidst significant challenges, 2023 has been a testament to the resilience of our members, management, and staff. I commend their commitment as we transitioned from an operating loss of (\$150,177) 2022 to a trading surplus of \$338,438, representing a remarkable swing of \$488,615. While total revenue surged by \$594,000 to reach \$7,105,135 representing a notable 9.1% increase, the marginal rise in total wages by \$21,000 (1.1%) from the previous year demonstrates the deliberate efforts to maintain fiscal prudence. This balanced approach positions the club for sustained growth amidst inflationary pressures, ultimately contributing to its incredible achievements in the year. The substantial development of our operational efficiencies could not be achieved without the support of our Operations Manager, Jayden Cramer whose dedication has been invaluable.

Emu Sports Club continues to be an integral part of lower blue mountains community with \$70,000 pledged to grass roots organisations and local groups in 2023. Our ability to donate is fuelled largely by the support of our valued members which has translated to record revenue in food and beverage along with unprecedented growth in golf operations in the final quarter of 2023. The club remains steadfast on reinvesting proceeds from the course towards improvements which for 2023 entailed renovation of all course bunkers and the purchase of a new fleet of golf carts equipped with GPS technology scheduled for deployment in the second quarter of 2024. In addition, we have looked to improve amenities for all members with our upgraded outdoor area and investment in plant and equipment in the main clubhouse.

It is a strong belief of the board, management and many members of our community that Emu Sports Club has struggled with its identity in recent years. It is exciting to announce the club will be rebranding to a name known and embraced by locals and visitors alike "Leonay Golf Club". We look forward to launching this new chapter in the clubs history for generations to come to re-establish our legacy in our community.

The cornerstone of any successful club lies in the dedication of its staff. I am humbled by the tenacity and passion demonstrated by our team, who consistently strive for service excellence and foster a sense of belonging among our members.

Although this year's results were positive, we cannot neglect the uncertainty of the current economic climate placing pressures on consumer spending particularly in the hospitality sector. It has been my priority to concentrate solely on implementing firm fiscal policies to maintain budget in order to futureproof the club from any external factors as they arise.

To Head Chef Peter Redmond, Course Superintendent Steve Konkolics & Head Golf Professional Ben Breckenridge and their respective teams, I wish to thank you for your tireless dedication, exceptional skill, and commitment to our club which has truly made a significant impact and I am deeply grateful for your invaluable contribution throughout 2023.

Management and the board continue to focus on sustaining a profitable business that is a positive influence on the community and will continue to operate to extinguish its current debts without sacrificing its greenspace. Between the strength of our board, management and our staff, I am confident that the momentum built in the final 2 quarters of 2023 will lay a foundation for financial security in the near future.

Corey Fletcher
Chief Executive Officer

Emu Plains Sporting and Recreation Club Limited
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Emu Plains Sporting and Recreation Club Limited
Directors' report
31 December 2023

The directors present their report, together with the financial statements, on the company for the year ended 31 December 2023.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

David Grosse
Brendan McKeown
Darryl Jeffrey
Alexander Martin
Shane Simpson
Paul Wallace
Stephanie Cook
Melissa Haywood
Katina Beveridge (Resigned February 2023)

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

Operating results

The surplus of the company for the financial year after providing for income tax amounted to \$338,438 (2022: deficit of \$150,177).

Objectives

Club's Vision

Emu Plains Sports Club activates the community by harnessing the professional lifestyle of our people, embracing the environment in which we are positioned and providing facilities and services that our prosperous community can enjoy.

Club's Mission

To provide a Profitable, Proactive and Professionally run venue for Entertainment, Recreation and Leisure that supports our staff, our customers, and our local community.

Strategic Objectives 2022 to 2030

1. Future-proofing Emu Sports Sporting and Recreation Club Ltd;
2. Maximising our member value and experience; and
3. Securing our green space, that is our golf course, for future generations.

Strategy for achieving the objectives

10 Key Focus Areas to achieve the Clubs Objectives

1. The Game of Golf

Continue to invest, enhance and promote the "Club's reason for being" – The Golf Course in line with its economic contribution to the Club, for the enjoyment of our members and local community.

2. Community

Position our Club as an intrinsic part of our community's way of life by understanding our community and ensuring our services reflect our values of activeness, professionalism, engagement, skill, and harmony.

Emu Plains Sporting and Recreation Club Limited
Directors' report
31 December 2023

3. Corporate Governance

Ensure the viability of our Club for future prosperity by continually improving our boards and management's education, competencies, and overall governance to keep raising the standard of board performance, credibility in the community, professionalism and excellence.

Recognise that a well-governed and transparent board provides value to the Club's brand and impacts productivity, financial prudence and, ultimately, the Club's strategic success.

4. Clubhouse Business

Maintain and grow financially sustainable, viable and efficient clubhouse businesses so the Club has the finance and facilities to support strategic objectives without compromising on quality customer experience or safety.

Ensure our target markets are clear and catered for in all aspects of our decision making.

Actively identify opportunities and explore partnerships that add to the clubs offering and, maintain or grow our 4 main revenue areas being Golf, Food, Beverage and Gaming.

5. Workforce Development

Build our region community's capability by providing our workforce with secure employment, the best training and leadership linked to a culture that is focussed on achieving our values.

6. Technology and Innovation

Continually improve and deploy cost-effective technological solutions that strengthen the efficiency of business processes, introduce better controls, improved decision-making and that add to customer service, experience, and interaction.

7. Marketing and Communication

Drive marketing and communication to create a strong brand identity that positions our Club as a progressive, diverse, and active facility.

Support a membership culture.

Encourage action from our target markets by defining the needs our products and services can fulfil, developing products and services to meet member needs and communicating in a contemporary manner.

8. Safety and Security

Care for the safety and security of our people and property. Provide clean, safe, well-maintained, and accessible facilities which evoke a sense of pride in our community.

9. Utilities and Natural Resources

Responsibly and sustainably conduct our Club business to engender an environmental focus into everything we do.

10. Master Planning and Capital Investment

Continue to invest in the clubs' physical spaces and golf course towards remaining relevant to our members and local community in line with the clubs Master Plan.

Manage our physical spaces to provide optimum community involvement and activity.

Explore and consider all opportunities available to realise capital funding from the clubs existing asset base that can be used to reduce debt funding, invest in future income streams that secure the Clubs future.

Emu Plains Sporting and Recreation Club Limited
Directors' report
31 December 2023

Principal activities

During the financial year, the principal continuing activities of the company were the operation of a sporting and recreation club.

The company has the following membership in 2023, (2022):

Sporting life members 5, (5)
Sporting permanent members 63, (65)
Sporting members 7,760, (6,026)
Sub club members 0, (0)
Male golf members 446, (453)
Male junior golf members 42, (28)
Lady golf members 61, (71)
Lady junior golf members 3, (2)

Total number of members at the end of financial year is 8,380, (2022: 6,650 members).

Performance measures

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

- The Board performs a detailed review of the club's strategic plan every 2 years.
- The CEO with the Board develops a business plan every 12 months in line with the Strategic plan, budget and club financial performance.
- Annual development of zero-based budget that is reviewed line by line and approved by the board;
- EBITDA and EBITDARD performance to the industry standards;
- Cashflow, monthly P&L reporting including balance sheet;
- Departmental measures such as gross profit and wages percentages;
- Members feedback and patronage into the premises.

Review of operations

The club has posted an operating surplus for 2023 of \$338,438, EBITDA of 16.2 (2022: 10.7).

A detailed review of operations for the year can be found in the attached Chairman's report.

After balance date events

In December 2023, an incident occurred on club premises for which an insurance claim was filed with the Club's insurer. The matter was finalised by the insurer in January 2024.

No other 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 the state of affairs of the company in future financial years.

Future developments

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental issues

The Directors believe that the company has complied with all significant environmental regulations under a law of the Commonwealth or of a state or territory.

Dividends

The Corporations Law prohibits a Company Limited by Guarantee from paying dividends.

Emu Plains Sporting and Recreation Club Limited
Directors' report
31 December 2023

Information on directors

Name:	Alexander Martin
Title:	President
Qualifications:	Bachelor of Business, Land Economy
Experience and expertise:	General Manager, Asset Strategy and Valuations, Goodman
Name:	Paul Wallace
Title:	Senior Vice President
Qualifications:	Real Estate Agent
Name:	Darryl Jeffrey
Title:	Junior Vice President
Qualifications:	General Manager, Member of the Australian Institute of Company Directors (AICD)
Experience and expertise:	General Manager of Sydney Showground
Name:	David Grosse JP
Qualifications:	Customer Service Manager
Name:	Brendan McKeown
Qualifications:	Retired Business Owner
Name:	Shane Simpson
Qualifications:	Businessman
Experience and expertise:	Proprietor of hospitality enterprises
Name:	Stephanie Cook
Qualifications:	Strategic Communication Management Professional (SCMP), Masters Communication Management, Bachelor of Arts, Communication
Experience and expertise:	Change Management, Employee Engagement and Corporate Communication
Name:	Melissa Haywood
Qualifications:	Bachelor of Commerce, Marketing Major
Experience and expertise:	Chief Operating Officer of Asset Packaging Machines.
Name:	Katina Beveridge (Resigned February 2023)
Qualifications:	Marketing Consultant

Meetings of directors

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

	Full Board	
	Attended	Held
David Grosse	10	12
Brendan McKeown	12	12
Darryl Jeffrey	10	12
Alexander Martin	12	12
Shane Simpson	11	12
Paul Wallace	10	12
Stephanie Cook	11	12
Melissa Haywood	9	12
Katina Beveridge (Resigned February 2023)	-	1

Held: represents the number of meetings held during the time the director held office.

There were 12 meetings of directors held during the year ended 31 December 2023.

Emu Plains Sporting and Recreation Club Limited
Directors' report
31 December 2023

Indemnifying officer or auditor

During the year, the company effected a directors and officer's liability policy. The insurance policy provides cover for the directors named in this report, the company secretary, officers and former directors and officers of the company.

This policy prohibits the disclosure of the nature of the indemnification and the insurance cover, and the amount of the premium.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an auditor of the company.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

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

On behalf of the directors



Alexander Martin
President



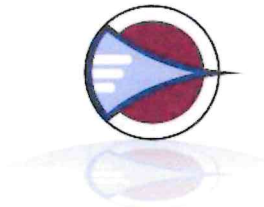
Paul Wallace
Vice President

26 March 2024

HEAD OFFICE
Unit 1, 1 Pioneer Avenue
Tuggerah NSW 2259

OFFICES

- Sydney CBD
- Drummoyne
- Erina
- Tamworth



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**INDEPENDENT AUDITOR'S DECLARATION
TO THE MEMBERS OF EMU PLAINS SPORTING & RECREATION CLUB LIMITED**

We hereby declare that to the best of our knowledge and belief during the year ended 31 December 2023, there have been:

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

Name of Firm	Bishop Collins Audit Pty Ltd Chartered Accountants
Name of Registered Company Auditor	 Martin Le Marchant
Auditor's Registration No.	431227
Address	Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259
Dated	26 March 2024



LIABILITY LIMITED BY A SCHEME APPROVED UNDER THE PROFESSIONAL STANDARDS LEGISLATION



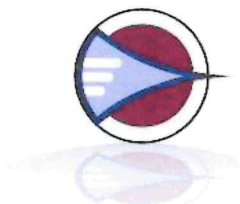
Directors: Martin Le Marchant CA
Johan Van Der Westhuizen CA

Associate Directors: Cecille Capucio CA

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
EMU PLAINS SPORTING & RECREATION CLUB LIMITED**

Auditor's Opinion

We have audited the accompanying financial report of Emu Plains Sporting & Recreation Club Limited ('the Company') which comprises the statement of financial position as at 31 December 2023, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

In our opinion, the accompanying financial report of Emu Plains Sporting & Recreation Club Limited is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the company's financial position as at 31 December 2023 and of its performance for the year ended on that date; and
- complying with Australian Accounting Standards – Simplified Disclosures (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the financial report which indicates the Company's current liabilities (\$2,377,661) exceeded its total current assets (\$701,186) by \$1,676,475 at 31 December 2023. These conditions, along with other matters as set forth in Note 2 of the financial report, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

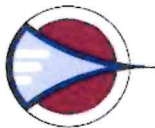


LIABILITY LIMITED BY A SCHEME APPROVED UNDER THE PROFESSIONAL STANDARDS LEGISLATION



Directors: Martin Le Marchant CA
Johan Van Der Westhuizen CA

Associate Directors: Cecille Capucao CA



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 to the extent described in Note 2 to the financial report, *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. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Name of Firm

Bishop Collins Audit Pty Ltd
Chartered Accountants

Name of Registered Company Auditor


Martin Le Marchant

Auditor's Registration No.

431227

Address

Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

Dated

26 March 2024

Emu Plains Sporting and Recreation Club Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2023

	Note	2023 \$	2022 \$
Revenue	4	7,105,135	6,511,135
Other income	5	23,081	91,146
Interest received		532	249
Expenses			
Cost of goods sold		(1,555,629)	(1,345,786)
Audit and accounting fees		(52,800)	(54,400)
Computer expenses		(86,291)	(97,675)
Consultancy and legal fees		(22,100)	(15,837)
Depreciation and amortisation expenses	24	(676,087)	(719,305)
Directors' and committees' expenses		(4,351)	(10,847)
Employee benefits expenses		(1,934,751)	(1,913,029)
Entertainment and promotion expenses		(284,273)	(328,199)
Finance costs	24	(138,768)	(128,907)
Course maintenance expenses		(411,418)	(427,769)
Members amenities		(130,635)	(113,614)
Motor vehicle expenses		(5,562)	(12,238)
Poker machine duty tax and levy		(197,801)	(291,427)
Repairs and maintenance expenses		(100,985)	(126,831)
Sponsorship and donations paid		(57,253)	(37,059)
Trophies, pennants and competition expenses		(127,454)	(87,081)
Occupancy and administration expenses		(586,533)	(570,043)
Fees and subscriptions expenses		(85,225)	(111,969)
Hire and rental expenses		(15,206)	(18,522)
Other expenses		(317,188)	(335,671)
Loss on disposal of assets		-	(6,498)
Surplus/(deficit) before income tax expense		338,438	(150,177)
Income tax expense		-	-
Surplus/(deficit) after income tax expense for the year	23	338,438	(150,177)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>338,438</u>	<u>(150,177)</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Emu Plains Sporting and Recreation Club Limited
Statement of financial position
As at 31 December 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	6	466,805	391,068
Trade and other receivables	7	80,525	71,006
Inventories	8	69,579	63,072
Other assets	9	84,277	79,104
Total current assets		<u>701,186</u>	<u>604,250</u>
Non-current assets			
Property, plant and equipment	10	11,857,400	12,118,304
Right-of-use assets	11	20,920	66,163
Intangibles	12	90,000	90,000
Other non-current assets	13	46,634	17,397
Total non-current assets		<u>12,014,954</u>	<u>12,291,864</u>
Total assets		<u>12,716,140</u>	<u>12,896,114</u>
Liabilities			
Current liabilities			
Trade and other payables	14	355,770	324,884
Borrowings	15	1,861,385	379,574
Lease liabilities	16	10,688	51,494
Employee benefits	17	111,146	140,216
Other liabilities	18	38,672	53,884
Total current liabilities		<u>2,377,661</u>	<u>950,052</u>
Non-current liabilities			
Borrowings	19	118,288	2,035,810
Lease liabilities	20	7,200	12,740
Employee benefits	21	38,268	61,227
Total non-current liabilities		<u>163,756</u>	<u>2,109,777</u>
Total liabilities		<u>2,541,417</u>	<u>3,059,829</u>
Net assets		<u>10,174,723</u>	<u>9,836,285</u>
Equity			
Reserves	22	6,519,957	6,519,957
Retained surpluses	23	3,654,766	3,316,328
Total equity		<u>10,174,723</u>	<u>9,836,285</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Emu Plains Sporting and Recreation Club Limited
Statement of changes in equity
For the year ended 31 December 2023

	Asset Revaluation Reserves \$	Retained Surpluses \$	Total equity \$
Balance at 1 January 2022	6,519,957	3,466,505	9,986,462
Deficit after income tax expense for the year	-	(150,177)	(150,177)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(150,177)	(150,177)
Balance at 31 December 2022	<u>6,519,957</u>	<u>3,316,328</u>	<u>9,836,285</u>

	Asset Revaluation Reserves \$	Retained Surpluses \$	Total equity \$
Balance at 1 January 2023	6,519,957	3,316,328	9,836,285
Surplus after income tax expense for the year	-	338,438	338,438
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	338,438	338,438
Balance at 31 December 2023	<u>6,519,957</u>	<u>3,654,766</u>	<u>10,174,723</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Emu Plains Sporting and Recreation Club Limited
Statement of cash flows
For the year ended 31 December 2023

	Note	2023	2022
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		7,782,643	7,126,013
Payments to suppliers and employees (inclusive of GST)		<u>(6,711,290)</u>	<u>(6,498,206)</u>
		1,071,353	627,807
Interest received		532	249
Grant revenue		-	91,146
Finance costs paid		<u>(136,075)</u>	<u>(122,822)</u>
Net cash from operating activities		<u>935,810</u>	<u>596,380</u>
Cash flows from investing activities			
Payments for property, plant and equipment	10	(377,318)	(651,836)
Proceeds from disposal of property, plant and equipment		<u>4,395</u>	<u>25,782</u>
Net cash used in investing activities		<u>(372,923)</u>	<u>(626,054)</u>
Cash flows from financing activities			
Proceeds from borrowings		-	3,162,044
Repayment of borrowings		<u>(487,150)</u>	<u>(3,227,883)</u>
Net cash used in financing activities		<u>(487,150)</u>	<u>(65,839)</u>
Net increase/(decrease) in cash and cash equivalents		75,737	(95,513)
Cash and cash equivalents at the beginning of the financial year		<u>391,068</u>	<u>486,581</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>466,805</u></u>	<u><u>391,068</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Emu Plains Sporting and Recreation Club Limited
Notes to the financial statements
31 December 2023

1. General information

The financial statements cover Emu Plains Sporting and Recreation Club Limited as an individual entity. The financial statements are presented in Australian dollars, which is Emu Plains Sporting and Recreation Club Limited's functional and presentation currency.

Emu Plains Sporting and Recreation Club Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are:

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 March 2024. The directors have the power to amend and reissue the financial statements.

2. Material accounting policy information

The accounting policies that are material to the company are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations not yet adopted

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

Any other new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

At 31 December 2023, the company's current liabilities (\$2,377,661) exceed its current assets (\$701,186) by \$1,676,475. This negative current ratio is as a result of the classification of the Club's loan facility as current at 31 December 2023.

Notwithstanding this deficiency, the financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the extinguishment of liabilities in the ordinary course of business.

The directors of the company have considered the going concern assumption appropriate with consideration to the following:

- The Club's finance facility with CBA was established in 2022 for an interest-only two year term. It was the intention for this facility to revert to a further eight (8) year term as principal and interest. However this facility was formalised on the two year initial term only and accordingly is classified as current at 31 December 2023. This facility and its extension is currently under negotiation with the lender CBA and is anticipated to be renegotiated prior to its two year expiry date in September 2024. The directors are confident from discussions with CBA that the facility will be successfully renegotiated and if this is not commercially acceptable a sufficient period remains to negotiate an alternative source of ongoing finance from another lender;
- Lease liabilities of \$10,688, will be extinguished throughout the normal course of business over the next 12 months;
- Hire Purchase liabilities of \$256,647 will be extinguished throughout the normal course of business over the next 12 months;
- and
- Employee entitlements of \$111,146 will not require cash settlement within the next 12 months.

It is with full consideration of the factors noted above that the financial statements have been prepared on a going concern basis.

Comparative Figures

Where required comparative figures have been adjusted to conform with changes to presentation for the current financial year.

Basis of preparation

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

Emu Plains Sporting and Recreation Club Limited
Notes to the financial statements
31 December 2023

2. Material accounting policy information (continued)

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Revenue recognition

The company recognises revenue as follows:

Revenue from contracts with customers

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

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Interest

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

Rent

Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Other revenue

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

Membership Fees

Revenue from membership fees is recognised when it is received or when the right to receive payment is established

Current and non-current classification

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

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

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

Deferred tax assets and liabilities are always classified as non-current.

Emu Plains Sporting and Recreation Club Limited
Notes to the financial statements
31 December 2023

2. Material accounting policy information (continued)

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Property, plant and equipment

Land is shown at fair value, based on periodic, at least every 3 - 5 years, valuations by external independent valuers (directors' valuation). The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Increases in the carrying amounts arising on revaluation of land are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

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

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

Buildings	40 years
Leasehold improvements	3-10 years
Plant and equipment	3-7 years

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

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

Right-of-use assets

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

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

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

2. Material accounting policy information (continued)

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Poker machine entitlements

Poker machine entitlements are recorded at cost and have recorded as intangible assets in the statement of financial position. They are considered to have an indefinite useful life, as the legislation does not specify a lifespan for the entitlement, and therefore the entitlements are not amortised.

Emu Plains Sporting and Recreation Club Limited has assessed the poker machine entitlements for indications of impairment. The recoverable amount has been determined based on value in use. Cash flow projections are based on net poker machine clearances and a useful economic life for the physical machine attached to the licences. The 10 year bond rate has been used to discount the cash flows to present value. No impairment loss has been identified.

Impairment of non-financial assets

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

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

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

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities

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

Emu Plains Sporting and Recreation Club Limited
Notes to the financial statements
31 December 2023

2. Material accounting policy information (continued)

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

Until the 2019 financial year, leases of property, plant and equipment were classified as operating leases or finance leases, see note 4 for details. From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed lease payments. Lease payments to be made under reasonably certain extension options are also included in the measured liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, conditions and security.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits

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

Other long-term employee benefits

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

Defined contribution superannuation expense

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

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Emu Plains Sporting and Recreation Club Limited
Notes to the financial statements
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2. Material accounting policy information (continued)

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

3. Critical accounting judgements, estimates and assumptions

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

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Estimation of useful lives of assets

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

Impairment of property, plant and equipment

The company assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Income Tax

The Directors are of the opinion that the company is exempt from income tax pursuant to Section 50-45 of the Income Tax Assessment Act 1997.

Emu Plains Sporting and Recreation Club Limited
Notes to the financial statements
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4. Revenue

	2023	2022
	\$	\$
<i>Sales revenue</i>		
Bar sales	1,816,631	1,674,425
Gaming revenue	1,625,886	1,892,617
Commissions revenue	105,069	101,102
Golf course revenue	698,366	590,985
Cart fees and Proshop sales	257,045	139,829
Catering and functions revenue	2,158,389	1,772,697
Leonay Golf revenue	275,559	223,208
Leonay Ladies Golf revenue	19,259	12,717
	<u>6,956,204</u>	<u>6,407,580</u>
<i>Other revenue</i>		
Rent received	52,031	46,714
Sundry revenue	96,900	56,841
	<u>148,931</u>	<u>103,555</u>
Revenue	<u><u>7,105,135</u></u>	<u><u>6,511,135</u></u>

5. Other income

	2023	2022
	\$	\$
Net gain on disposal of property, plant and equipment	3,120	-
Government grants received	19,961	91,146
Other income	<u>23,081</u>	<u>91,146</u>

6. Current assets - cash and cash equivalents

	2023	2022
	\$	\$
Cash at bank and on hand	<u>466,805</u>	<u>391,068</u>

7. Current assets - trade and other receivables

	2023	2022
	\$	\$
Trade receivables	70,921	42,112
Other receivables	9,604	28,894
	<u>80,525</u>	<u>71,006</u>

8. Current assets - inventories

	2023	2022
	\$	\$
Inventory on hand - at cost	<u>69,579</u>	<u>63,072</u>

Emu Plains Sporting and Recreation Club Limited
Notes to the financial statements
31 December 2023

9. Current assets - Other assets

	2023	2022
	\$	\$
Prepayments	79,277	74,104
Security deposit	5,000	5,000
	<u>84,277</u>	<u>79,104</u>

10. Non-current assets - property, plant and equipment

	2023	2022
	\$	\$
Land - at independent valuation 2020	6,396,000	6,396,000
Buildings - at cost	7,444,716	7,444,716
Less: Accumulated depreciation	(3,727,995)	(3,494,303)
	<u>3,716,721</u>	<u>3,950,413</u>
Course improvements - at cost	1,185,319	1,038,480
Less: Accumulated depreciation	(727,220)	(646,775)
	<u>458,099</u>	<u>391,705</u>
Plant and equipment - at cost	2,281,574	2,070,448
Less: Accumulated depreciation	(1,312,452)	(1,116,430)
	<u>969,122</u>	<u>954,018</u>
Motor vehicles - at cost	-	58,645
Less: Accumulated depreciation	-	(51,803)
	<u>-</u>	<u>6,842</u>
Gaming machines - at cost	1,316,990	1,301,840
Less: Accumulated depreciation	(999,532)	(882,514)
	<u>317,458</u>	<u>419,326</u>
	<u>11,857,400</u>	<u>12,118,304</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land	Buildings	Course improvements	Plant & equipment and motor vehicles	Gaming machines	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 January 2023	6,396,000	3,950,413	391,705	960,860	419,326	12,118,304
Additions	-	-	146,840	215,328	15,150	377,318
Disposals	-	-	-	(7,378)	-	(7,378)
Depreciation expense	-	(233,692)	(80,498)	(199,281)	(117,373)	(630,844)
Balance at 31 December 2023	<u>6,396,000</u>	<u>3,716,721</u>	<u>458,047</u>	<u>969,529</u>	<u>317,103</u>	<u>11,857,400</u>

Emu Plains Sporting and Recreation Club Limited
Notes to the financial statements
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10. Non-current assets - property, plant and equipment (continued)

Valuations of land and buildings

The basis of the valuation of land is fair value, being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition. The land and buildings were last revalued on 24 September 2020 based on independent assessments by a member of the Australian Property Institute. The directors do not believe that there has been a material movement in fair value since the revaluation date.

The buildings and course improvements are held at cost. These assets were valued at 24 September 2020 and the market value is in excess of the cost value held at year end by \$3,887,279.

11. Non-current assets - right-of-use assets

	2023	2022
	\$	\$
Plant and equipment - right-of-use	186,566	186,566
Less: Accumulated depreciation	<u>(165,646)</u>	<u>(120,403)</u>
	<u><u>20,920</u></u>	<u><u>66,163</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Right-of-use assets	Total
	\$	\$
Balance at 1 January 2023	66,163	66,163
Depreciation expense	<u>(45,243)</u>	<u>(45,243)</u>
Balance at 31 December 2023	<u><u>20,920</u></u>	<u><u>20,920</u></u>

12. Non-current assets - intangibles

	2023	2022
	\$	\$
Other intangible assets - at cost	187,975	187,975
Less: Accumulated amortisation	<u>(97,975)</u>	<u>(97,975)</u>
	<u><u>90,000</u></u>	<u><u>90,000</u></u>

13. Non-current assets - other non-current assets

	2023	2022
	\$	\$
Capital works in progress	<u><u>46,634</u></u>	<u><u>17,397</u></u>

Emu Plains Sporting and Recreation Club Limited
Notes to the financial statements
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14. Current liabilities - trade and other payables

	2023	2022
	\$	\$
Trade payables	121,682	113,252
Other creditors	79,131	58,356
Superannuation payable	11,483	10,620
Poker machine duty tax payable	1,336	23,111
BAS payable	142,138	119,545
	<u>355,770</u>	<u>324,884</u>

15. Current liabilities - borrowings

	2023	2022
	\$	\$
Financial loans	1,550,000	-
Hire purchases	256,647	329,488
Insurance premium funding	54,738	50,086
	<u>1,861,385</u>	<u>379,574</u>

16. Current liabilities - lease liabilities

	2023	2022
	\$	\$
Lease liability	<u>10,688</u>	<u>51,494</u>

17. Current liabilities - employee benefits

	2023	2022
	\$	\$
Annual leave	<u>111,146</u>	<u>140,216</u>

18. Current liabilities - other liabilities

	2023	2022
	\$	\$
Accrued expenses	15,838	15,553
Revenue received in advance	22,834	38,331
	<u>38,672</u>	<u>53,884</u>

19. Non-current liabilities - borrowings

	2023	2022
	\$	\$
Financial loans	-	1,650,000
Hire purchases	118,288	385,810
	<u>118,288</u>	<u>2,035,810</u>

Emu Plains Sporting and Recreation Club Limited
Notes to the financial statements
31 December 2023

19. Non-current liabilities - borrowings (continued)

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

	2023	2022
	\$	\$
Financial loans	1,550,000	1,650,000
Hire purchases	374,935	715,298
	<u>1,924,935</u>	<u>2,365,298</u>

Assets pledged as security

The financial loans are secured by first mortgages over the company's land and buildings.

20. Non-current liabilities - lease liabilities

	2023	2022
	\$	\$
Lease liability	7,200	12,740
	<u>7,200</u>	<u>12,740</u>

21. Non-current liabilities - employee benefits

	2023	2022
	\$	\$
Long service leave	38,268	61,227
	<u>38,268</u>	<u>61,227</u>

22. Equity - reserves

	2023	2022
	\$	\$
Asset revaluation reserve	6,519,957	6,519,957
	<u>6,519,957</u>	<u>6,519,957</u>

23. Equity - retained surpluses

	2023	2022
	\$	\$
Retained surpluses at the beginning of the financial year	3,316,328	3,466,505
Surplus/(deficit) after income tax expense for the year	338,438	(150,177)
Retained surpluses at the end of the financial year	<u>3,654,766</u>	<u>3,316,328</u>

24. Depreciation and finance costs

	2023	2022
	\$	\$
Depreciation		
Property, plant and equipment	630,844	656,621
Right-of-use asset	45,243	62,684
Total depreciation	<u>676,087</u>	<u>719,305</u>

Emu Plains Sporting and Recreation Club Limited
Notes to the financial statements
31 December 2023

24. Depreciation and finance costs (continued)

	2023	2022
Finance costs		
Interest and finance charges	136,075	122,822
Interest - lease liability (AASB 16)	<u>2,693</u>	<u>6,085</u>
Total finance costs	<u><u>138,768</u></u>	<u><u>128,907</u></u>

25. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2023	2022
	\$	\$
Aggregate compensation	<u><u>170,803</u></u>	<u><u>192,860</u></u>

26. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Bishop Collins Audit Pty Ltd, the auditor of the company, and its network firms:

	2023	2022
	\$	\$
<i>Audit services - Bishop Collins Audit Pty Ltd</i>		
Audit of the financial statements	<u><u>23,000</u></u>	<u><u>25,000</u></u>
<i>Other services - network firms</i>		
Accounting support and assistance	<u><u>-</u></u>	<u><u>650</u></u>

27. Contingent liabilities

The Club received correspondence regarding a legal matter in November 2023. The Club formally responded through their solicitor, to which no further correspondence has been received. As at the date of this report, the financial impact (if any) cannot be reliably measured.

28. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 25.

Transactions with related parties

The following transactions occurred with related parties:

	2023	2022
	\$	\$
Payment for other expenses:		
Directors' expenses and compliance training	2,351	4,433

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Emu Plains Sporting and Recreation Club Limited
Notes to the financial statements
31 December 2023

28. Related party transactions (continued)

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

29. Members' guarantee

The Club is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$4 each towards meeting any outstanding debts and obligations of the company. At 31 December 2023, total members were 8,380 (2022: 6,650).

30. Events after the reporting period

In December 2023, an incident occurred on club premises for which an insurance claim was filed with the Club's insurer. The matter was finalised by the insurer in January 2024.

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

31. Company details

The registered office and principal place of business is 1 Leonay Parade, Leonay NSW.

32. Core and non-core property

In accordance with provisions under section 41J(2) of the Registered Clubs Act, the directors have classified the following assets as core property of the Company:

Portion of Lot 1103 in Deposited Plan 127686 (formerly Lot 110 in DP 1135581)
Portion of Lot 4 in Deposited Plan 564713
Portion of Lot 21 in Deposited Plan 746592
Lot 342 in Deposited Plan 621918

The following non-core properties have been identified by the company:

Proposed Lot 3, Part Lot 21 in Deposited Plan 746592
Proposed Lot 5, Part Lot 4 in Deposited Plan 564713
Proposed Lot 7, Part Lot 4 in Deposited Plan 564713

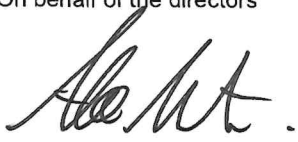
Emu Plains Sporting and Recreation Club Limited
Directors' declaration
31 December 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Alexander Martin
President



Paul Wallace
Vice President

26 March 2024