WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD lIMITED

POSTAL ADDRESS:
PO BOX 12 WINGHAM 2429
PREMISES ADDRESS:
28 BENT STREET
WINGHAM NSW 2429
Email: manager@winghamservicesclub.com.au

TELEPHONE: (02) 6553 4577
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SERIAL No. 239241
A.B.N. 15 000 982 730

Chief Executive Officer Report 2022 – 2023 Financial Year

It is with regret that I table the 2022 – 2023 Financial accounts, unfortunately, we encumbered a significant loss of ($845,000) for the said financial year. Various factors contributed to this loss. Cost of Living pressures such as interest rate rises, fuel costs, grocery prices, electricity, gas increases, and the general rise in the cost of goods. As we know, these cost of living increases significantly impact disposable income. This is more prevalent in rural communities such as ours as we have low tourism dollars to rely on.

Due to this significant loss your Board and Management having been working diligently to rectify this financial situation. Steps undertaken thus far include

- The formulation of a Financial Committee that meet on a weekly basis with Management to review all areas of Financial Management of the Club and determine cost cutting strategies
- Significant reductions in labor cost through roster rationalization, adjustment of opening times and unfortunately the implementation of a permanent staff members redundancy.
- Restructuring of the Management team to negate the employment of an Executive Chef in the catering operation.
- Cessation of poorly performing initiatives such as breakfasts, beverage trading and entertainment within the Parkview Function room
- Cancellation of all major entertainment shows
- Payment plans in put place for the ATO which has improved cash flow

Moving forward in continuing to reduce loses the following will be implemented

- Finance Committee to continue to meet on a weekly basis
- All proposed Capital works programs put on hold
- Relocating activities normally in the Auditorium to Parkview to reduce overhead operating costs
- Review of marketing and advertising costs

Gaming revenues were significantly impacted during the last two quarters of the financial year. As a matter of reference, for the previous two quarters of the 2021-2022 financial year, gaming turnover was $13,749,699, and for the same 2022-2023 financial period, gaming turnover was $10,306,036, a variance of ($3,443,663) or 25.05%. It is a similar scenario when we compare the first two quarters of the 2022-2023 financial year, which had a gaming turnover of $13,180,755, in comparison to the last two quarters of the financial year, which was $10,306,036, a variance of ($2,874,719), or 21.81%. This downturn had significant effects on net profit and cash flow.

From a food and beverage perspective, both departments exceeded last year's revenue, with Beverage sales increasing by $128,756 and food sales increasing by $192,423, Poppies Brasserie increased patronage in comparison to the previous financial year with 7,588 more patrons utilizing this area. Concerning the Catering operation, the Club was placed in the unenviable position in March of receiving three qualified chef resignations within three days.
The options were to Close our catering operation until we could employ locally or use contracted chefs. Your Club took the option to hire contracted chefs, which came at a considerable cost, but our overriding aim was to keep our Catering operation open for Members.

The Club has continued to support local sporting bodies and charities with Clubs grants amounting to $24,124 in cash payments and $3,322 in-kind payments. In relation to member benefits, your Club expended $103,000 in member discounts for food and Beverage purchases and redeemed $70,000 in bonus points.

The loss, coupled with a drastic cash flow downturn, has put your Club under financial stress. As a result of this downturn in cash flow, the decision was made to sell 12 Poker Machine licenses, which will improve cash flow. It must be noted that 9 of these Poker Machines have been in storage since the last COVID-19 lockdown.

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The Club has been in constant contact with its Banker over these difficult times and they have assured the Club they will continue to offer the Club support. Your Board and Management have had and will continue to make hard decisions to mitigate the financial stress the Club is under. We would seek your consideration concerning decisions and changes that must be made. The overall goal is to keep the doors open and ensure that we continue to be the social hub of Wingham and serve the community.

Due to the dire circumstances experienced this year, Management and the Board had to consider all options to keep the Club operating, one of these options was to explore the possibility of Amalgamation, which was undertaken. At this point we believe Amalgamation is not required.

As C.E.O. of your Club, I am very conscious of your concerns regarding all the above, it has been most challenging to inform Members of the poor results experienced.

On a positive note, significant capital works programs were undertaken over the first two quarters of the financial year to improve your Club facilities. These capital works included

- Construction of a multipurpose beverage and function area on the ground floor. This has increased the revenue stream significantly for the ground floor. Upon opening late February, this area's revenue generation for February - June 2023 was $37,210 compared to the previous five months, which generated approximately $7,000.
- Expansion of the seating area for Poppies restaurant in conjunction with new furniture and fittings and the inclusion of a premium children's playground.
- A premium large-screen T.V. was added to the Main Lounge
- Relocation of all gaming machines into the Emerald gaming room was instigated to improve gaming patrons' privacy and comfort levels.
- Construction of a shower complex on the second level to assist in evacuation procedures should they be required

The Board and Management believe we can trade out of our current financial position. We continue to trade solvently, and with the onset of warmer weather, our trading levels are increasing. As indicated previously, significant changes will continue to improve the business's bottom line. Still, members need to be aware that, as a matter of necessity, changes need to be made from a financial perspective. I want to thank all staff for their efforts over the last 12 Months it has been most appreciated. I wish all members health and happiness for the rest of the year and 2024, thank you for your continued support.

Yours Faithfully

....

Dean McCarthy

C.E.O.

Wingham Services Club

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
ABN 15 000 982 730

FINANCIAL REPORT

FOR THE YEAR ENDED
30 June 2023

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
ABN 15 000 982 730
DIRECTORS' REPORT

The directors present their report together with the financial report of Wingham District Memorial Services Club Ltd ("the Company") for the financial year ended 30 June 2023 and the auditor's report thereon.

Directors

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

Mr Derek Boughton	Appointed 22 November 2015 Retired Council Employee
Mr Rodney Moore	Appointed 23 November 2014 Builder
Mr James Harry Rider	President Appointed 23 November 2014 Retired Office Manager / Bookkeeper
Mr Ronald Sullivan	Appointed 20 November 2016 Retired policeman
Ms Donna Fowler	Appointed 18 June 2019 Retired school crossing supervisor
Mr James Dean	Appointed 18 June 2019 Employment consultant
Mr John Muxlow	Appointed 26 November 2021 Retired mechanic
Mr William Beach	Appointed 27 November 2022 Retired Financial Consultant

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

Company Secretary

Mr Dean McCarthy was appointed company secretary on 20 September 2019. He is the Secretary Manager for the Club.

Meetings of Directors

During the financial year, 12 meetings of directors were held and various Board Committee meetings were held. Attendances were:

	DIRECTORS MEETINGS	
	Number eligible to attend	Number Attended
Mr Derek Boughton	12	11
Mr Rodney Moore	12	10
Mr James Harry Rider	12	12
Mr Ronald Sullivan	12	12
Ms Donna Fowler	12	8
Mr James Dean	12	7
Mr John Muxlow	12	12
Mr William Beach	8	8

Principal Activities

The principal activity of the Company during the year to 30 June 2023 was a licensed and registered club. There was no significant change in the nature of the activity during the year.

Review of Operations & Results

The operating loss of the Company after providing for income tax amounted to $848,150 (2022: loss $80,092). The operations of the Club have been impacted by significant additional operating costs for the year.

Dividends

As the Company is a company limited by guarantee it is prohibited by its constitution from paying dividends.

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
ABN 15 000 982 730
DIRECTORS' REPORT

Significant Changes in State of Affairs

The operations of the Club have been impacted by the additional costs of doing business in current economic times and impact on cashflow of the significant capital renovations conducted at the Club over the last four years.

In the opinion of the Directors there were no other significant changes in the state of affairs of the Company that occurred during the financial year under review.

After Balance Date Events

Directors and management have taken action since year end to cut expenditure, enter into payment arrangements with Australian Taxation Office and Office of State Revenue re outstanding GST and poker machine duty and to sell surplus poker machine entitlements once the state government approve the transfers to assist short term cashflow issues.
There have been no other matters 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 subsequent years.

Future Developments

The Directors continue to strive to improve the facilities available to members.

Indemnifying and Insurance of Officers and Auditor

During or since the end of the financial year the Company has not given an indemnity or entered an agreement to indemnify any person who is or has been an officer or auditor of the Company.

The Company has paid premiums to insure officers of the Company against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the Company other than conduct involving a willful breach of duty in relation to the Company. Provisions of the policy prohibit disclosure of details of the policy.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set on page 5.

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

.... Director

.... Director

Dated this 19th day of September 2023.

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there has 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.

Rhonda Futterleib

19th September 2023

22 Pulteney Street, Taree 2430

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
ABN 15 000 982 730
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 $	2022 $
Revenue & other income	2	8,030,902	7,974,770
Net finance income / (expense)	3	(61,486)	(14,517)
Cost of goods sold		(1,024,926)	(778,438)
Employee benefits expense		(1,791,054)	(1,490,449)
Depreciation expense	9(a)	(317,928)	(319,229)
Other expenses	4	(5,683,658)	(5,452,229)
Profit/(loss) before income tax expense		(848,150)	(80,092)
Income tax expense	5(a)	-	-
Profit/(loss) for period		(848,150)	(80,092)
Total comprehensive income/(expense) for period		(848,150)	(80,092)

The accompanying notes form part of these financial statements.

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
ABN 15 000 982 730
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	2023 $	2022 $
Balance at beginning of period	1,539,608	1,619,700
Profit / (loss) for the period	(848,150)	(80,092)
Total comprehensive income/(expense) for the period	(848,150)	(80,092)
Balance at end of period	691,458	1,539,608

The accompanying notes form part of these financial statements.

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
ABN 15 000 982 730
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 $	2022 $
CURRENT ASSETS			
Cash and cash equivalents	6	81,818	293,818
Trade and other receivables	7	252,486	94,690
Inventories	8	47,116	56,947
Financial Assets	9	5,000	-
TOTAL CURRENT ASSETS		386,420	445,455
NON-CURRENT ASSETS			
Property, plant and equipment	10	2,667,664	2,336,077
TOTAL NON-CURRENT ASSETS		2,667,664	2,336,077
TOTAL ASSETS		3,054,084	2,781,532
CURRENT LIABILITIES			
Trade and other payables	11	463,019	343,055
Financial liabilities	12	193,989	156,674
Employee benefits	13	120,088	122,598
Deferred income	14	175,032	113,963
TOTAL CURRENT LIABILITIES		952,128	736,290
NON-CURRENT LIABILITIES			
Financial Liabilities	12	1,304,147	419,438
Employee benefits	13	106,351	86,196
TOTAL NON-CURRENT LIABILITIES		1,410,498	505,634
TOTAL LIABILITIES		2,362,626	1,241,924
NET ASSETS		691,458	1,539,608
EQUITY			
Contributed equity	15	-	-
Retained profits		691,458	1,539,608
TOTAL EQUITY		691,458	1,539,608

The accompanying notes form part of these financial statements.

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
ABN 15 000 982 730
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 $	2022 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		8,307,691	8,442,918
Interest received		768	14
Payments to suppliers and employees		(8,535,275)	(7,720,494)
Interest and other finance costs paid		(62,254)	(14,531)
Net GST Paid to ATO		(179,468)	(251,448)
Net cash provided by (used in) operating activities	20	(468,538)	456,459
CASH FLOWS FROM INVESTING ACTIVITIES			
Community support payments		(13,192)	(23,137)
Proceeds from sale of property, plant and equipment		6,295	21,000
Purchase of property, plant and equipment		(653,236)	(121,259)
Net cash provided by (used in) investing activities		(660,133)	(123,396)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from / (Repayment) of borrowings		913,255	(155,366)
Net cash provided by (used in) financing activities		913,255	(155,366)
Net (decrease)/increase in cash held		(215,416)	177,697
Cash and cash equivalents at 1 July 2022		293,818	116,121
Cash and cash equivalents at 30 June 2023	6	78,402	293,818

The accompanying notes form part of these financial statements.

NOTE 1: MATERIAL ACCOUNTING POLICY INFORMATION

The financial report covers Wingham District Memorial Services Club Ltd as an individual entity. The Company is domiciled in Australia.

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 and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report.

The accounting policies have been consistently applied, unless otherwise stated.

The financial report was approved by the Directors on 19th September 2023.

Basis of preparation

The financial report is presented in Australian dollars and has been prepared on an accruals basis and is based on historical costs. Cost is based on the fair values of the consideration given in exchange for assets.

Going Concern

Despite the excess of current liabilities ($952,128) over current assets ($386,420), negative cashflow from operations of $468,538 and the loss for the year of $848,150 the financial statements have been prepared on a going concern basis as the directors believe the Company has sufficient cash reserves to continue to pay debts when due and payable. While revenue was similar to last year, expenses were substantially higher.

The Directors have been well aware of the Company's financial position since earlier this calendar year and have been taking the necessary steps to bring the Club back to a better position. Staffing numbers have been reduced, opening hours have been cut back to reduce costs and various delayed payment arrangements have been negotiated to reduce cash flow pressure. To aid cashflow the Directors have determined to sell 4 Blocks of Gaming Entitlement's. It should be noted that 3 of these blocks have been in storage since the last Covid 19 lockdown. Management have been instructed to cease all non-profitable activities from an operational perspective. To assist in debt reduction the Board is researching the options of assets sales ie the sale of the Club shop properties. The Board will keep members fully informed of this research and put forward recommendations if required. Overhead expenses have been closely scrutinized and cuts made. All expenditure on capital works has been postponed until the Company returns to a more favourable financial position.Directors have also received assurances from the Company's bankers that current loan terms remain unchanged at the date of this report.

Estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Financial Instruments

Non derivative financial instruments

Non derivative financial instruments comprise investments in debt securities, trade and other receivables, cash and cash equivalents and trade and other payables.

Non derivative financial instruments are initially recognised at fair value. Subsequent to initial recognition non derivative financial instruments are measured at fair value.

Cash & cash equivalents

Cash and cash equivalents comprise cash on hand and at call deposits with banks or financial institutions. Bank overdrafts that are repayable on demand are included as a component of cash and cash equivalents for the purpose of the statement of cashflows.

Trade & other receivables

Trade and other receivables are stated at their amortised cost less impairment losses.

Trade & other payables

Trade and other payables are stated at their cost.

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Cost includes expenditures directly attributable to the acquisition of the asset. The costs of day to day servicing of property, plant and equipment are recognised in the profit and loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income or other expenses in the profit or loss.

Depreciation

The depreciable amount of all plant & equipment is depreciated on a straight line and diminishing value basis over their useful lives commencing from the time the asset is held ready for use. Land is not depreciated. Rates and methods are reviewed annually for appropriateness.

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

Class of depreciable asset	*Depreciation Rate*
Buildings	2.5%
Plant, fittings & equipment	5 - 40%
Poker machines	9 – 40%
Motor vehicles	18.75%

Impairment

At each reporting date the Company reviews the carrying values of its financial assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the difference between the assets carrying amount and the estimated future cash flows discounted at the original effective interest rate is recognised through the profit and loss as an impairment loss.

The carrying value of the Company's non financial assets are also reviewed at each reporting date to determine if there is an indication of impairment. If an indication exists then the assets recoverable amount, being the higher of its value in use and its fair value less costs to sell, is estimated. An impairment loss is recognised in the profit and loss if the carrying amount exceeds the recoverable amount.

Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs for completion and selling expenses.

Leases

Leases are capitalised, recognising a right to use asset and a lease liability.

The right to use asset is initially recognised at the present value of the lease payments that are unpaid at the date of recognition. Lease payments are discounted at the interest rate implicit in the lease.

The lease liability is initially recognised at the carrying amount of the right to use asset increased by the interest on the lease liability.

Right of use assets are depreciated on a straight-line basis over their estimated useful lives.

Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Employee benefits

Short-term benefits
Liabilities for employee benefits for wages, annual leave and sick leave arising from services rendered by employees to balance date represent present obligations. Employee benefits expected to be settled within one year have been measured at the amount expected to be paid when the liability is settled, plus related on-costs, such as workers' compensation insurance and payroll tax.

Long-term benefits
Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. The discount rate is the yield at reporting date on AA credit rated or government bonds that have maturity dates approximating the Company's obligations.

Superannuation
Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

Income Tax

Income tax expense comprises current and deferred tax. Income tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Comparative Figures

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

Revenue

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when control of the goods passes to the customer.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

Net finance income / (expense)

Finance income comprises interest revenue on funds invested. It is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Interest expense is recognised as incurred.

Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of the acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of the GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position. Cashflows are included in the Statement of Cashflows on a gross basis. The GST components of cashflows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cashflows.

Segment reporting

A segment is a distinguishable component of the Company that is engaged in either providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Company operates in the registered club industry in Australia.

New standards and interpretations not yet adopted

The Directors consider that new standards and interpretations currently issued but not yet applicable will not have a significant impact on the Company's financial report.

NOTE 2: REVENUE and OTHER INCOME	2023 $	2022 $
Revenue		
— Bar operations	990,671	861,914
— Catering	757,982	565,559
— Gaming	6,118,638	6,245,181
	7,867,291	7,672,654
Other income		
— Jobkeeper/COVID grants	13,332	162,888
— Inner Clubs revenue	1,497	1,604
— Profit on sale of plant & equipment	2,574	11,429
— Subscriptions	23,732	26,012
— Commissions	27,613	24,514
— Rent received	11,818	4,545
— Other	83,045	71,124
	163,611	302,116
TOTAL REVENUE	8,030,902	7,974,770

NOTE 3: NET FINANCE INCOME /(EXPENSE)		
Interest revenue from other persons	768	14
Interest expense to other persons	(62,254)	(14,531)
	(61,486)	(14,517)

NOTE 4: OTHER EXPENSES

	2023 $	2022 $
Other expenses include:		
Poker machine jackpots	4,124,837	4,155,094
Net loss on disposal of non-current assets:		
— property, plant and equipment	-	5,414
Insurance	161,741	130,143
Annual poker machine duty	260,750	274,162
Members expenses	91,511	67,663
Audit fees	24,041	23,251
Movement in employee benefit expense	17,645	46,427
Repairs & Maintenance	163,588	151,432
Sponsorship	55,924	28,046
Managers & Directors expenses	51,708	16,318

NOTE 5: INCOME TAX

a. Income tax expense

	2023 $	2022 $
Profit / (loss) before income tax	(848,150)	(80,092)
Income tax using the corporate tax rate of 25%	(212,038)	(20,023)
Increase in income tax expense due to:		
— non-deductible depreciation and amortisation	1,053	772
— Carry forward losses not recognised	36,804	19,531
	(174,181)	280
Decrease in income tax expense due to:		
— Income attributable to members	174,181	(280)
Income tax expense on pre tax net profit	-	-

b. Deferred tax assets

The potential deferred tax asset arising from tax losses and other temporary differences has not been recognised as an asset because recovery of the tax losses is not probable.

	2023 $	2022 $
Tax losses carried forward	1,738,227	1,591,014

The potential deferred tax asset will only be obtained if:

- the Company derives future assessable income of a nature and amount sufficient to enable the asset to be realised;
- the Company continues to comply with the conditions of deductibility imposed by law; and
- no changes in tax legislation adversely affect the Company in realising the asset.

NOTE 6: CASH AND CASH EQUIVALENTS

	2023 $	2022 $
Cash on hand	49,487	56,718
Cash at bank		
Commonwealth Bank – Working Accounts	20,812	219,290
Commonwealth Bank – TAB Account	1,164	3,585
Commonwealth Bank – Keno Account	2,294	5,771
Cash at bank – Snooker Club	-	653
Cash at bank – Fishing Club	4,139	3,879
Cash at bank – Bowls Club	3,922	3,922
	81,818	293,818

Amounts are at call. The effective interest rate for all accounts at 30 June 2023, was 0-2.05% (2022: 0.1%).

NOTE 7: TRADE AND OTHER RECEIVABLES

	2023 $	2022 $
CURRENT		
Trade debtors	181,493	-
Sundry debtors	21,443	34,095
Prepayments	49,550	59,080
Loan – manager	-	1,515
	252,486	94,690

All receivables are considered collectable so no provision for impairment has been raised (2022: NIL). Amounts are non-interest bearing. The Company's receivables are aged 0 – 90+ days.

NOTE 8: INVENTORIES

	2023 $	2022 $
CURRENT		
Finished goods at cost	46,051	53,817
Other consumables	1,065	3,130
At net realisable value	47,116	56,947

	2023	2022
	$	$

NOTE 9: FINANCIAL ASSETS

	2023 $	2022 $
Term Deposit – NAB	5,000	-

Interest is payable at 4% and the facility has no maturity date.
The term deposit is security over a guarantee re TAB facilities.

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	2023 $	2022 $
Land – at cost	101,750	101,750
Buildings - at cost	3,368,129	3,096,146
Accumulated depreciation	(1,807,716)	(1,740,606)
	1,560,413	1,355,540
Plant, fittings & equipment - at cost	2,205,200	1,825,254
Accumulated depreciation	(1,534,495)	(1,418,688)
	670,705	406,566
Poker machines - at cost	1,853,025	1,853,025
Accumulated depreciation	(1,620,519)	(1,521,000)
	232,506	332,025
Motor vehicles - at cost	33,481	64,752
Accumulated depreciation	(26,233)	(52,063)
	7,248	12,689
Right of Use assets	167,124	172,337
Accumulated amortization	(72,082)	(52,838)
	95,042	119,499
Capital work-in progress	-	8,008
Total Property, Plant and Equipment	2,667,664	2,336,077

NOTE10: PROPERTY, PLANT AND EQUIPMENT con't

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

	Land	Buildings	Plant, fittings & equipment	Poker machines	Motor vehicles	Right of Use	Capital work-in-progress	Total
	$	$	$	$	$	$	$	$
Balance at beginning of year	101,750	1,355,540	406,566	332,025	12,689	119,499	8,008	2,336,077
Additions	-	271,983	379,945	-	-	21,780	-	673,708
Disposals/Transfers	-	-	-	-	(3,720)	(12,465)	(8,008)	(24,193)
Depreciation expense	-	(67,110)	(115,806)	(99,519)	(1,721)	(33,772)	-	(317,928)
Carrying amount at end of year	101,750	1,560,413	670,705	232,506	7,248	95,042	-	2,667,664

NOTE 11: TRADE AND OTHER PAYABLES

	2023 $	2022 $
CURRENT		
Trade creditors	198,842	139,378
GST liabilities	52,432	59,938
Accrued charges	211,745	143,739
	463,019	343,055

Amounts are non-interest bearing. Creditors are expected to be paid within 60 days.

NOTE 12: FINANCIAL LIABILITIES

		2023 $	2022 $
CURRENT			
Bank overdraft		8,416	-
Credit card	f.	353	101
Lease liabilities	d.	79,843	103,584
Commonwealth Bank Loan	a.	85,200	637
Insurance loan		20,177	52,352
		193,989	156,674
NON CURRENT			
Lease liabilities	d.	224,735	84,438
Bank Loan	a,b & c	1,079,412	335,000
		1,304,147	419,438

NOTE 12: FINANCIAL LIABILITIES con't

a. The NAB loan term is 15 years, which is reviewed every 3 years expiring 18 August 2037. It is a variable interest rate of 7.93% at 30 June 2023. Repayments are $7,100 per month and the loan limit is $1,275,000. At 30 June 2023 $110,388 was unused (2022: CBA $282,700).

b. The CBA loan term was refinanced by the NAB during the year.

c. The CBA loan term was refinanced by the NAB during the year.

d. Lease liabilities secured over the equipment leased – typically poker machines and senpos and are repayable monthly. Terms range from 12 months to 5 years. Leasing facility limit is $199,415. It was fully drawn at 30 June 2023. The interest rate at 30 June 2023 was 7.538%.

e. Loans are secured by a 1st registered mortgage over the Club property at 28-38 Bent Street Wingham and a 1st registered equitable mortgage over the whole of the Company's assets and undertakings including uncalled capital.

f. A NAB credit card facility with a $10,000 limit. The balance is cleared monthly. At 30 June 2023 $9,647 was unused.

NOTE 13: EMPLOYEE BENEFITS

	2023 $	2022 $
CURRENT		
Annual leave	98,674	104,162
Long service leave	19,569	17,199
RDO's	1,845	1,237
	120,088	122,598
NON-CURRENT		
Long service leave	106,351	86,196

NOTE 14: DEFERRED INCOME

CURRENT		
Grants in advance	159,759	101,804
Subscriptions in advance	15,273	12,159
	175,032	113,963

NOTE 15: CONTRIBUTED EQUITY

The Company is a company limited by guarantee.

If the Company is wound up, the constitution states that each member is required to contribute to a maximum of $5.00 towards meeting any outstanding obligations of the Company.

As at 30 June 2023, there were 2,706 (2022: 2,591) members of the Company.

NOTE 16: CAPITAL COMMITMENTS

In 2022 the Company was the recipient of a bushfire recovery grant. The grant was for $546,000 which is being paid in 3 instalments. The terms of the grant require the Company to spend an equivalent amount of funds to match the grant funding.

At 30 June 2023 the first milestone has been reached. The remaining stages are expected to cost $320,000 and these are expected to be fully funded by the grant funding.

NOTE 17: RELATED PARTIES

a. Key management personnel remuneration	2023 $	2022 $
Key management personnel were remunerated as follows:		
Short term salary benefits paid to all key management personnel of the Company by the Company and any related parties	301,530	261,527
Post employment superannuation benefits paid to all key management personnel of the Company by the Company and any related parties	30,345	26,554
	331,875	288,081

b. Key Management Personnel

The names of the key management personnel during the financial year are:

Mr Derek Boughton

Mr Rodney Moore

Mr James Harry Rider

Mr Ronald Sullivan

Ms Donna Fowler

Mr James Dean

Mr William Beach – appointed 27 November 2022

Mr John Muxlow

Mr Dean McCarthy – Secretary Manager

Mrs Jennifer Gralton – Operations Manager

Ms Erica Dart – Restaurant Manager

Mr Greg Riding - Chef

In 2022, Mr Rodney Moore provided services to a third party who contracted to the Club for renovation work to the Bar/Dining/Poker machine areas during the year. Mr Moore does not have a financial interest in the third party.

Trade and other receivables includes a loan to Mr Dean McCarthy of $NIL (2022: $1,515) for computer purchases. This was being repaid by regular deductions from his salary.

Transactions between key management personnel and their related entities are on normal commercial terms and conditions no more favourable than those available to other parties.

NOTE 18: CONTINGENT LIABILITIES

The National Australia Bank have provided a guarantee to a supplier of the Company for $5,000. This guarantee acts as a security bond to the supplier should the Company fail to meet their obligations to the suppliers. The bank are holding a term deposit of $5,000 as security over this guarantee. At the date of this report the directors believe it is unlikely that these guarantees will be drawn upon.

NOTE 19: FINANCIAL RISK MANAGEMENT

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer fails to meets its obligations and arises principally from the Company's receivables from customers. The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and the Notes to the Financial Statements.

Trade and other receivables

The Company's exposure is influenced mainly by the individual characteristics of each customer. The majority of receivables are from daily trading activities and are received within 30 business days.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. To ensure it can meet its obligations it invests excess funds in higher interest rate deposits, it only undertakes capital works when funds are available from monies invested and maintains a positive cash balance in its bank accounts at all times.

Market risk

Market risk is the risk that changes in market conditions will affect the Company's income. The Company has significant exposure to market risk as it is reliant on the continued use by patrons of its gaming facilities. Government initiatives such as the banning of smoking indoors has had an impact on this risk area and will continue to do so in future years.

Interest rate risk

The bank loans are subject to interest rate risk as they are at a variable interest rate. The funds deposited in the Online Saver account are also subject to interest rate risk. All other bank balances are non interest bearing.

NOTE 19: FINANCIAL RISK MANAGEMENT con't

Fair value

Unless otherwise stated carrying amounts disclosed on the Statement of Financial Position are the fair value of the financial assets and liabilities.

NOTE 20: CASH FLOW INFORMATION

	2023 $	2022 $
a. Reconciliation of Cash Flow from Operations with Profit / (Loss) after Income Tax		
Profit / (Loss) after income tax	(848,150)	(80,092)
Items classified as investing/financing activities		
Investing activities	13,192	23,137
Non-cash flows in profit		
(Profit) / Loss on sale of non-current assets	(2,574)	(6,015)
Depreciation	317,928	319,229
Changes in assets and liabilities		
Decrease/(increase) inventories	9,831	(568)
Decrease/(increase) trade and other receivables	(157,796)	4,319
Increase/(decrease) in trade and other payables	120,317	48,218
Increase/(decrease) in deferred income	61,069	101,804
Increase/(decrease) in employee benefits	17,645	46,427
Cash flows from operations	(468,538)	456,459

Reconciliation of Cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the Statement of Financial Position as follows:

	2023 $	2022 $
Cash on hand, at bank, overdraft, term deposit	78,402	293,818

NOTE 21: STATEMENT OF OPERATIONS BY SEGMENTS

The Company operates in the registered club industry in Australia.

NOTE 22: EVENTS SUBSEQUENT TO REPORTING DATE

Directors and management have taken action since year end to cut expenditure, enter into payment arrangements with Australian Taxation Office and Office of State Revenue re outstanding GST and poker machine duty and to sell surplus poker machine entitlements once the state government approve the transfers to assist short term cashflow issues.

No other matter or circumstance has 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 subsequent years.

NOTE 23: COMPANY DETAILS

The registered office and principal place of business of the company is:

28 Bent Street
Wingham NSW 2429

WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD
ABN 15 000 982 730
DIRECTORS' DECLARATION

In the opinion of the directors of Wingham District Memorial Services Club Ltd

1. the financial statements and notes, as set out on pages 6 to 22 are in accordance with the Corporations Act 2001, including:
   a. complying with Australian Accounting Standards – Simplified Disclosures and the Corporations Regulations 2001; and
   b. give a true and fair view of the financial position of the Company as at 30 June 2023 and its performance, as represented by the results of its operations and its cashflows, for the year ended on that date; and
2. 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 ....

Director ....

Dated this 19th day of September 2023

INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD

Report on the Financial Report

Opinion

I have audited the financial report of Wingham District Memorial Services Club Limited (the Company), which comprises the Statement of Financial Position as at 30 June 2023, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies, and the Directors' Declaration.

In my opinion, the accompanying financial report of Wingham District Memorial Services Club Limited, is in accordance with the Corporations Act 2001, including:

(a) 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

(b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code. I confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material Uncertainty Regarding Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Company incurred a net loss of $848,150 during the year ended 30 June 2023, had negative cashflow from operations of $468,538 and, as of that date, the Company's current liabilities exceeded its total assets by $565,708. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD

Other Information

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. My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. In connection with my audit of the financial report, my 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 I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the 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

My 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 my 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.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/Home.aspx. This description forms part of my auditor's report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my opinion.

INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
WINGHAM DISTRICT MEMORIAL SERVICES CLUB LTD

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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion.

  My conclusions are based on the audit evidence obtained up to the date of my 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. I 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 I identify during my audit.

I also provide the directors with a statement that I 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 my independence, and where applicable, related safeguards. From the matters communicated with the directors, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Rhonda Futterleib

Address: 22 Pulteney Street, Taree, NSW, 2430

Dated ~~20th~~ 19th day of ~~September~~ October 2023