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Inverell Sporties Limited

ABN: 99 001 060 813

Financial Statements

For the Year Ended 30 June 2024

Inverell Sporties Limited

ABN: 99 001 060 813

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Inverell Sporties Limited

ABN: 99 001 060 813

Directors' Report For the Year Ended 30 June 2024

The directors present their report on Inverell Sporties Limited for the financial year ended 30 June 2024.

Directors

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

Names	Position	Appointed/Resigned
P J Dunlop	Junior Deputy Chairman	Appointed 19/09/2012
S L Dunlop	Director	Re-appointed 24/04/2017
M J Hauser	Director	Appointed 29/10/2017, Resigned 17/01/2024
A J Hobday	Chairman	Appointed 29/01/2018
D J Kachel	Senior Deputy Chairman	Appointed 29/10/2017
D W Radford	Director	Appointed 29/10/2017, Resigned 08/10/2023
E I M Cumming	Director	Appointed 19/04/2021
S J Pearce	Director	Appointed 17/07/2023
R J Sides	Director	Appointed 18/09/2023
R V Adamson	Director	Appointed 29/10/2017, Resigned 15/07/2023
T R Tanner	Director	Appointed 05/02/2024

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

Company secretary

Mr Damien A Smith held the position of Company secretary at the end of the financial year.

Principal activities

The principal activity of Inverell Sporties Limited during the financial year was to operate a registered club for the promotion of sports.

These principal activities assist in achieving the short term and long term objectives of the company by:

- providing entertainment, dining, gaming and social facilities for members, guests and the community; and
- providing turnover, cash flow and profit to meet the financial objectives of the company.

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

Short term objectives

The Company has identified the following short term objectives:

- To strive to achieve the benchmark for financial performance of a 15% EBITDARD (Earnings Before Interest, Tax, Depreciation, Amortisation, Rent and Donations); and
- To promote bowls and other sports and membership involvement in sport.

The Company has adopted the following strategies in order to achieve these short term objectives:

- The preparation of an annual budget for financial performance that includes the calculation of EBITDARD (Earnings Before Interest, Tax, Depreciation, Amortisation, Rent and Donations);
- The preparation of cash flow projections; and
- Continued director, management and staff education and training programs.

Long term objectives

The Company has identified the following long term objectives;

- To promote the game of bowls and other sports in the community and to be recognised for our contribution to the game;
- To maintain a stable financial position of the club; and
- To grow the company operations in accordance with member interests.

The company has adopted the following strategies in order to achieve these long term objectives:

- The preparation of a strategic, business, succession and contingency plans that considers the diversification of business operations.

Performance measures

The following measures are used within the Company to monitor performance:

- Gross profit percentage on sales;
- Membership retention;
- Growth in surplus;
- Budget and cash flow projections; and
- Electronic Gaming Machine net retention.
- Club standing within community

Members' guarantee

Inverell Sporties Limited is a Company limited by guarantee. In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$2 for members subject to the provisions of the Company's constitution.

At 30 June 2024 the collective liability of members was \$ 9,112 (2023: \$ 8,306).

Information on directors

P J Dunlop	Junior Deputy Chairman
Qualifications	Parcel & Mail Delivery Officer Gas, Fitter & Engineer Gas Bottle Testing. Current holder of RSA & RCG Statements of Attainment, and attended Clubs NSW Mandatory Directors Training, 2015 & 2019
Experience	13 years as a Director
Special Responsibilities	Operational Compliance subcommittee
S L Dunlop	Director
Qualifications	Manager HealthShare Management certificate IV, Certificate II in Hospitality, and currently holder of RSA & RCG Statements of Attainment. Attended Clubs NSW Mandatory Directors Training 2019, and Attended CDI Seminar Feb 2019
Experience	7 years as a Director in current term, additional 1 year experience in a previous term
Special Responsibilities	Operational Compliance subcommittee
M J Hauser	Director
Qualifications	Retired District Fisheries Officer. Current holder of RSA & RCG Statements of Attainment. Bowls Umpire. Cert IV in Training. Attended Clubs NSW Mandatory Directors Training 2019, Member of Club Directors Institute.
Experience	7 years as a Director
Special Responsibilities	AML/CTF subcommittee

Information on directors continued

A J Hobday	Chairman
Qualifications	Retired Accountant/Registered Tax Agent. Current holder of RSA & RCG Statements of Attainment, Member of Club Directors Institute and attended Clubs NSW Mandatory Directors Training, June 2018.
Experience	7 years as a Director
Special Responsibilities	Finance/AML/CTF subcommittee
D J Kachel	Senior Deputy Chairman
Qualifications	Retired business proprietor / motor mechanic / auto electrician, Past president Junior Rugby League, Treasurer Zone Junior Rugby League, The Inverell Legacy Club Inc. Legatee, life member Inverell Hawks Rugby League Club. Current holder of RSA & RCG Statements of Attainment, and attended Clubs NSW Mandatory Directors Training, June 2018. Member of Club Directors Institute, attended CDI Seminars December 2018 and February 2019, Member of Club Directors Institute. Volunteer at Homes for the Aged.
Experience	7 Years as a Director
Special Responsibilities	Operational Compliance subcommittee, Finance/AML/CTF subcommittee and Greens subcommittee
D W Radford	Director
Qualifications	Hawkesbury Ag College Education, Farmer and Heavy Transport Operator 35 years, Construction Industry 7 Years, Mitre 10 Department manager 13 years, Current holder of RSA & RCG Statements of Attainment. Attended Clubs NSW Mandatory Directors Training 2019.
Experience	7 years as a Director
Special Responsibilities	Operational Compliance subcommittee
E I M Cumming	Director
Qualifications	Town planner 23 years, Strategic Planning 17 years. Bachelor Urban & Regional Planning from UNE, Financial Management from CSU. Past Director of Homes North Community Housing (2015-2020). Current Deputy Chair of Homes North Community Housing (2020 - present)
Experience	3 years as Director
Special Responsibilities	Governance and Planning
R J Sides	Director
Qualifications	25 years as electrical contractor operating own business, 20 years running a successful farming enterprise, 11 years on Holy Trinity School P&F Board as Chairman.
Experience	1 year as a Director
Special Responsibilities	Operational Compliance Sub-Committee
S J Pearce	Director
Qualifications	Manager at Repco Auto Parts Inverell, employed at Repco since 1987, current holder of RAS
Experience	Inverell Sports Council committee 2000 to 2017, Secretary 2017 to 2019, currently a Vice President, Inverell Jockey Club Vice President 2016 to 2021.
Special Responsibilities	None allocated to date

Information on directors continued

T R Tanner	Director
Qualifications	Area Operations Manager Water NSW, Past Asset Operations & Maintenance team leader, Supervisor & Operator - Water Infrastructure, Small business owner and NSW Builder and Carpenter
Experience	1 year as Director
Special Responsibilities	Operational Compliance Sub-Committee

Information on directors continued

Meetings of directors

During the financial year, 12 meetings of directors (excluding subcommittees of directors) were held. Attendances by each director during the year were as follows:

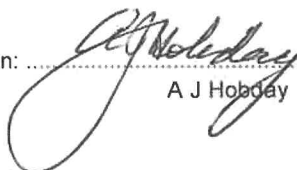
	Directors' Meetings		Special Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
P J Dunlop	12	12	4	4
S L Dunlop	12	12	4	4
M J Hauser	6	5	3	2
A J Hobday	12	11	4	4
D J Kachel	12	10	4	4
D W Radford	3	2	3	1
R J Sides	12	5	2	1
E I M Cumming	12	6	4	3
S J Pearce	12	8	3	2
T R Tanner	5	4	1	1

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2024 has been received and can be found on page 6 of the financial report.

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

Chairman:


A J Hobday

Senior Deputy Chairman:


D J Kachel

Dated 9 September 2024

Inverell Sporties Limited

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Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Inverell Sporties Limited

- I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024, 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.

Forsyths

P.R. Cornall

Paul Cornall
Principal

9 September 2024

121 Rusden St, Armidale NSW 2350

Inverell Sporties Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2024

		2024	2023
	Note	\$	\$
Sales and member revenue	4	3,303,010	3,255,197
Cost of sales		(1,038,159)	(1,078,379)
Gross profit		<u>2,264,851</u>	<u>2,176,818</u>
Other sources of income	4	99,734	84,028
Administrative expenses		(1,237,420)	(1,353,284)
Depreciation Expense		(373,587)	(422,278)
Advertising and Marketing expenses		(13,502)	(9,713)
Occupancy costs		(369,763)	(354,216)
Profit/(Loss) for the year		<u>370,313</u>	<u>121,355</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>370,313</u>	<u>121,355</u>

The accompanying notes form part of these financial statements.

Inverell Sporties Limited

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Statement of Financial Position

As At 30 June 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	843,123	547,260
Trade and other receivables	7	36,938	18,238
Inventories	8	58,019	47,766
Other financial assets	9	132,917	132,095
Other assets	10	40,825	6,000
TOTAL CURRENT ASSETS		1,111,822	751,359
NON-CURRENT ASSETS			
Other financial assets	9	10	10
Property, plant and equipment	11	2,443,654	2,555,645
TOTAL NON-CURRENT ASSETS		2,443,664	2,555,655
TOTAL ASSETS		3,555,486	3,307,014
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	210,951	240,816
Borrowings	13	50,611	89,763
Employee benefits	14	57,555	98,321
Contract liabilities	15	6,023	4,357
TOTAL CURRENT LIABILITIES		325,140	433,257
NON-CURRENT LIABILITIES			
Borrowings	13	7,895	31,664
Employee benefits	14	14,747	5,341
Contract liabilities	15	11,265	10,626
TOTAL NON-CURRENT LIABILITIES		33,907	47,631
TOTAL LIABILITIES		359,047	480,888
NET ASSETS		3,196,439	2,826,126
EQUITY			
Accumulated surplus		3,196,439	2,826,126
TOTAL EQUITY		3,196,439	2,826,126

The accompanying notes form part of these financial statements.

Inverell Sporties Limited

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Statement of Changes in Equity For the Year Ended 30 June 2024

2024

	Accumulated Surplus	Total
	\$	\$
Balance at 1 July 2023	2,826,126	2,826,126
Profit/(deficit) attributable to members	370,313	370,313
Balance at 30 June 2024	<u>3,196,439</u>	<u>3,196,439</u>

2023

	Accumulated Surplus	Total
	\$	\$
Balance at 1 July 2022	2,704,771	2,704,771
Profit/(deficit) attributable to members	121,355	121,355
Balance at 30 June 2023	<u>2,826,126</u>	<u>2,826,126</u>

The accompanying notes form part of these financial statements.

Inverell Sporties Limited

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Statement of Cash Flows For the Year Ended 30 June 2024

	2024	2023
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	3,707,915	3,661,862
Payments to suppliers and employees	(3,102,021)	(3,238,595)
Interest received	15,308	1,934
Net cash provided by/(used in) operating activities	20 621,202	425,201
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from Disposal of Asset	3,376	-
Purchase of property, plant and equipment	(264,972)	(100,364)
Net proceeds/(purchases) from financial assets	(822)	88,372
Net cash provided by/(used in) investing activities	(262,418)	(11,992)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds/(repayment) from borrowings	(62,921)	(165,088)
Net cash provided by/(used in) financing activities	(62,921)	(165,088)
Net increase/(decrease) in cash and cash equivalents held	295,863	248,121
Cash and cash equivalents at beginning of year	547,260	299,139
Cash and cash equivalents at end of financial year	6 843,123	547,260

The accompanying notes form part of these financial statements.

Inverell Sporties Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2024

The financial report covers Inverell Sporties Limited as an individual entity. Inverell Sporties Limited is a Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Inverell Sporties Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

Revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Sale of goods

Revenue is recognised on transfer of goods to the customer including bar, coffee bar and catering as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Interest revenue

Interest is recognised using the effective interest method.

Rendering of services

Revenue in relation to rendering of services including poker machines, Keno, raffles, TAB and bingo are recognised upon delivery of the service to the customer.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Summary of Significant Accounting Policies continued

(a) Revenue and other income continued

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over time during the financial year. Where the company receives membership fees for subsequent financial years this is recognised as a contract liability.

Other income

Other income is recognised on an accruals basis when the Company has an enforceable contract and met the performance obligations in the contract. Other sundry revenue is recognised when received.

(b) Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

(c) Income Tax

No provision for income tax has been raised as the Company is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(d) Goods and services tax (GST)

Revenue, 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).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments with original maturities of three months or less which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value.

(g) Property, plant and equipment

Each class of property, plant and equipment is carried at cost, where applicable, any accumulated depreciation and impairment.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Summary of Significant Accounting Policies continued

(g) Property, plant and equipment continued

Land and buildings

Freehold land and buildings are shown at their cost less, where applicable, any accumulated depreciation and impairment losses. The recoverable amount of buildings for not-for-profit entities is the current replacement cost discounted to current asset condition.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount of plant and equipment for not-for-profit entities is the current replacement cost discounted to current asset condition.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	1.67%
Plant & Equipment, Furniture & Fittings	10-40%
Furniture, Fixtures and Fittings	5-50%
Motor Vehicles	22.50%
Gaming Machines	20%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(h) Poker machine software upgrades

The Company expenses its poker machine software upgrades as they assume the useful life of the software upgrades for the poker machines is less than 12 months

(i) Poker machine entitlements

The Company, as a result of State legislation, received for no cost, poker machine entitlements. These entitlements can be sold should the company decide to reduce, or cease, its poker machine activities. The company has not recorded the poker machine entitlements in the financial statements as there was no fair value on acquisition of these entitlements and there is no sufficiently deep and active market to determine changes in fair value as required by accounting standards.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Summary of Significant Accounting Policies continued

(j) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the amounts expected to be paid when the liability is settled. For measuring the amount of liability, the Company considers the impact of the future wage increases negate the requirement to discount using market yields. Changes in the measurement of the liability are recognised in profit or loss.

(k) Financial instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified as "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component.

Classification and Subsequent Measurement

Financial assets and liabilities are subsequently measured at amortised cost.

Investments classified at amortised cost

The Company's investments in term deposits are measured at amortised costs using the effective interest rate method, with revenue recognised on an effective yield basis.

In addition, if there is objective evidence that the investment has been impaired the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Financial liabilities at amortised cost

The Vendor loans are measured at amortised cost using the effective interest method. Although, the loans are interest free the Company has not discounted the cash flow repayments over the life of the loan. The Company considers any discount due to the interest free terms would not be material to the financial statements.

3 Critical Accounting Estimates and Judgment

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

Notes to the Financial Statements

For the Year Ended 30 June 2024

3 Critical Accounting Estimates and Judgment continued

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates- Useful lives of assets

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation 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.

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Notes to the Financial Statements For the Year Ended 30 June 2024

4 Revenue and Other Income

Revenue from continuing operations

	2024	2023
	\$	\$
Contracts with customers		
Sales and member revenue		
- Bar Trading	1,282,747	1,347,026
- Poker Machines (net takings)	1,862,972	1,761,449
- Bistro Rent	21,818	21,818
- Coffee Bar	13,539	8,621
- Keno	41,678	34,279
- Raffles	44,621	47,251
- TAB	8,815	6,427
- Bingo	11,248	8,763
- Member subscriptions	10,549	13,481
- Functions and hire	5,023	4,020
- Promotions and events	-	2,062
	3,303,010	3,255,197

All revenue from contracts with customers are recognised under AASB 15 at a point in time except membership subscriptions which are recognised over time.

	2024	2023
	\$	\$
Other sources of revenue		
- Interest received	15,308	1,934
- Supplier rebates and grants	80,450	33,133
- Cash card rebate	-	28,375
- Wage subsidies	-	2,500
- Insurance recoveries	-	12,361
- Sundry income	3,976	5,725
	99,734	84,028

5 Result for the Year

The result for the year includes the following specific expenses:

	2024	2023
	\$	\$
Employee benefit expenses	980,154	1,037,475
Superannuation contributions	89,485	91,696

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Notes to the Financial Statements

For the Year Ended 30 June 2024

6 Cash and Cash Equivalents

	2024	2023
	\$	\$
Cash on hand	251,934	230,390
Bank balances	591,189	316,870
Cash at bank and in hand	<u>843,123</u>	<u>547,260</u>

7 Trade and Other Receivables

	2024	2023
	\$	\$
CURRENT		
Trade receivables	<u>36,938</u>	<u>18,238</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

8 Inventories

	2024	2023
	\$	\$
CURRENT		
At cost:		
Finished goods	<u>58,019</u>	<u>47,766</u>

9 Other Financial Assets

Investments held at Amortised Cost

	2024	2023
	\$	\$
CURRENT		
Term Deposits	<u>132,917</u>	<u>132,095</u>
NON-CURRENT		
Other investments -at cost		
Regional Australia Bank Shares	<u>10</u>	<u>10</u>

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Notes to the Financial Statements
For the Year Ended 30 June 2024

10 Other Assets

	2024	2023
	\$	\$
CURRENT		
Equipment Bond	3,100	1,000
Prepayment	32,725	-
TAB Security Deposit	5,000	5,000
	<u>40,825</u>	<u>6,000</u>

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Notes to the Financial Statements For the Year Ended 30 June 2024

11 Property, plant and equipment

	2024	2023
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At cost	67,500	67,500
Total Land	67,500	67,500
Buildings		
At cost	2,353,652	2,302,290
Accumulated depreciation	(807,206)	(764,589)
Total buildings	1,546,446	1,537,701
Total land and buildings	1,613,946	1,605,201
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	748,048	710,417
Accumulated depreciation	(479,267)	(404,787)
Total plant and equipment	268,781	305,630
Furniture, fixtures and fittings		
At cost	668,978	619,908
Accumulated depreciation	(454,635)	(420,626)
Total furniture, fixtures and fittings	214,343	199,282
Motor vehicles		
At cost	52,433	52,433
Accumulated depreciation	(40,765)	(37,377)
Total motor vehicles	11,668	15,056
Gaming Machines		
At cost	1,683,233	1,560,823
Accumulated depreciation	(1,348,317)	(1,130,347)
Total Gaming machines	334,916	430,476
Total plant and equipment	829,708	950,444
Total property, plant and equipment	2,443,654	2,555,645

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Notes to the Financial Statements
For the Year Ended 30 June 2024

11 Property, plant and equipment continued

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 and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Gaming Machines	Total
	\$	\$	\$	\$	\$	\$	\$
Year ended 30 June 2024							
Balance at beginning of the year	67,500	1,537,701	305,630	199,282	15,056	430,476	2,555,645
Additions	-	51,362	37,632	49,069	-	126,909	264,972
Disposals	-	-	-	-	-	(3,376)	(3,376)
Depreciation	-	(42,617)	(74,481)	(34,008)	(3,388)	(219,093)	(373,587)
Balance at the end of the year	67,500	1,546,446	268,781	214,343	11,668	334,916	2,443,654

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Notes to the Financial Statements For the Year Ended 30 June 2024

11 Property, plant and equipment continued

Revaluation of Land and Buildings

The Company engaged a valuer to conduct a valuation of land and buildings during the 2018/19 financial year. This valuation was based upon the alternative use valuation methodology and valued land and buildings at \$750,000. This valuation is not suitable for accounting purposes under AASB 13, therefore, the Company has decided to not make an adjustment to the value in the financial statements. The Company intends to conduct a valuation for accounting purposes in the future.

12 Trade and Other Payables

	2024	2023
	\$	\$
Current		
Trade payables	62,262	61,195
GST payable	45,441	32,930
Payroll liabilities	15,301	11,006
Sundry payables and accrued expenses	87,947	135,685
	<u>210,951</u>	<u>240,816</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

13 Borrowings

	2024	2023
	\$	\$
CURRENT		
Secured liabilities:		
Vendor loans	50,611	89,763
Total current borrowings	<u>50,611</u>	<u>89,763</u>
	2024	2023
	\$	\$
NON-CURRENT		
Secured liabilities:		
Vendor loans	7,895	31,664
Total non-current borrowings	<u>7,895</u>	<u>31,664</u>

Vendor loans are in relation to poker machine replacements. These loans are non-interest bearing and secured over the assets financed. Repayment are usually a period of 36 months. The Company has not discounted the value of the loans to reflect the interest free terms compared to market indices as it considers this adjustment would be immaterial to the results.

Inverell Sporties Limited

ABN: 99 001 060 813

Notes to the Financial Statements

For the Year Ended 30 June 2024

14 Employee Benefits

	2024	2023
	\$	\$
Current liabilities		
Long service leave	-	26,703
Annual leave	57,555	71,618
	<u>57,555</u>	<u>98,321</u>
	2024	2023
	\$	\$
Non-current liabilities		
Long service leave	14,747	5,341

15 Contract Liabilities

	2024	2023
	\$	\$
Current		
Revenue and members subscriptions in advance	6,023	4,357
	<u>6,023</u>	<u>4,357</u>
Non-Current		
Revenue and members subscriptions in advance	11,265	10,626

16 Auditors' Remuneration

Audit services of \$20,500 (2023: \$25,250) were provided by Forsyths including additional fees of \$2,100 for the preparation of general purpose financial statements - simplified disclosures.

17 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel and Directors honorarium of Inverell Sporties Limited during the year are as follows:

The total remuneration paid to key management personnel of the Company is \$ 250,128 (2023: \$ 262,981).

18 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2024 (30 June 2023: None).

Notes to the Financial Statements

For the Year Ended 30 June 2024

19 Related Parties

Transactions with related parties

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

Remuneration to Related Parties \$85,639 (2023: Nil)

Services from Related Parties: \$5,792 (2023: Nil)

20 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2024	2023
	\$	\$
Profit for the year	370,313	121,355
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	373,587	422,278
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(18,700)	(15,984)
- (increase)/decrease in prepayments	(34,825)	(1,000)
- (increase)/decrease in inventories	(10,253)	(5,339)
- increase/(decrease) in income in advance	2,305	8,424
- increase/(decrease) in trade and other payables	(29,865)	(84,971)
- increase/(decrease) in employee benefits	(31,360)	(19,562)
Cashflows from operations	621,202	425,201

21 Funds Held by the Bowling Sections

The Women's bowling section of the Club (known as the 'Inverell Women's Bowling Club') held net assets at 30 June 2024 of \$40,510 (2023:\$42,699) and had a profit for the year of \$935 (2023: Loss \$674). The Men's bowling section of the Club (known as the 'Inverell East Men's Bowling Club') held net assets at 30 June 2024 of \$15,366 (2023:\$14,072) and had a profit for the year \$1,143 (2023: Loss \$3,764). These funds have been generated by the activities of the members in these sections. These funds have not been shown in the statement of financial position, but under Club's By-Law 2012, 'any funds of the Bowling sections in excess of reasonably foreseeable needs shall, upon request, be paid to the Board and become part of the general funds of the Club'. The Directors believe that at reporting date it is not practical to consolidate these results with those of the Company.

22 Events Occurring After the Reporting Date

The financial report was authorised for issue on 9 September 2024 by the Board of Directors.

Inverell Sporties Limited

ABN: 99 001 060 813

Notes to the Financial Statements

For the Year Ended 30 June 2024

22 Events Occurring After the Reporting Date continued

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company.

23 Statutory Information

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

Inverell Sporties Limited
35 Glen Innes Rd
Inverell NSW 2360

Inverell Sporties Limited

ABN: 99 001 060 813

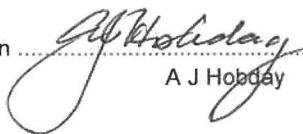
Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 24, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards -Simplified Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of the Company.
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.

Chairman


A J Hobday

Senior Deputy Chairman


D J Kachel

Dated 9 September 2024

Inverell Sporties Limited

Independent Audit Report to the members of Inverell Sporties Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Inverell Sporties Limited (the Company), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

Responsibilities of 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.

Inverell Sporties Limited

Independent Audit Report to the members of Inverell Sporties Limited

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 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 the 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.

Inverell Sporties Limited

Independent Audit Report to the members of Inverell Sporties Limited

From the matters communicated with the directors, we 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. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Forsyths

P.R. Cornall

Paul Cornall
Partner

Armidale, NSW
9 September 2024

Inverell Sporties Limited

ABN: 99 001 060 813

For the Year Ended 30 June 2024

	2024	2023
	\$	\$
Bar Trading		
Sales revenue		
Sales	1,282,747	1,347,026
	<u>1,282,747</u>	<u>1,347,026</u>
Cost of sales		
Purchases and stock movements	530,175	549,002
	<u>530,175</u>	<u>549,002</u>
Cost of goods sold		
	<u>530,175</u>	<u>549,002</u>
Gross profit		
	<u>752,572</u>	<u>798,024</u>
	58.67 %	59.24 %
Less: Direct expenses		
Wages	431,347	435,076
	<u>431,347</u>	<u>435,076</u>
Net profit / (loss)	<u>321,225</u>	<u>362,948</u>

	2024	2023
	\$	\$
Poker Machines		
Sales revenue		
Sales	1,862,972	1,761,449
Cost of sales		
Less: Direct expenses		
Direct expense	264,096	250,889
	<u>264,096</u>	<u>250,889</u>
Net profit / (loss)	<u>1,598,876</u>	<u>1,510,560</u>

	2024	2023
	\$	\$
Bistro Rent		
Revenue		
Rent	21,818	21,818
	<u>21,818</u>	<u>21,818</u>

Inverell Sporties Limited

ABN: 99 001 060 813

For the Year Ended 30 June 2024

	2024 \$	2023 \$
Coffee Bar		
Sales revenue		
Sales	13,539	8,621
	<u>13,539</u>	<u>8,621</u>
Cost of sales		
Purchases and stock movements	7,627	2,296
	<u>7,627</u>	<u>2,296</u>
Gross profit	<u>5,912</u>	<u>6,325</u>
Gross profit (%)	<u>43.67 %</u>	<u>73.37 %</u>
Net profit / (loss)	<u>5,912</u>	<u>6,325</u>
	2024 \$	2023 \$
Keno		
Income		
Keno Income	41,678	34,279
	<u>41,678</u>	<u>34,279</u>
Less: Direct expenses		
Keno expense	7,319	4,048
	<u>7,319</u>	<u>4,048</u>
Net profit / (loss)	<u>34,359</u>	<u>30,231</u>
	2024 \$	2023 \$
Raffles		
Income		
Raffles	44,621	47,251
	<u>44,621</u>	<u>47,251</u>
Less: Direct expenses		
Raffles	35,511	40,516
	<u>35,511</u>	<u>40,516</u>
Net profit / (loss)	<u>9,110</u>	<u>6,735</u>
	2024 \$	2023 \$
TAB		
Income		
TAB Income	8,815	6,427
	<u>8,815</u>	<u>6,427</u>
Less: Direct expenses		
Direct expense	16,106	18,956
	<u>16,106</u>	<u>18,956</u>
Net profit / (loss)	<u>(7,291)</u>	<u>(12,529)</u>

Inverell Sporties Limited

ABN: 99 001 060 813

For the Year Ended 30 June 2024

	2024 \$	2023 \$
Bingo		
Income		
Bingo income	11,248	8,763
	<hr/> 11,248	<hr/> 8,763
Less: Direct expenses		
Direct expenses	14,832	11,178
	<hr/> 14,832	<hr/> 11,178
Net profit / (loss)	<hr/> (3,584)	<hr/> (2,415)

Profit and Loss Account

	2024 \$	2023 \$
Sales		
Bar Trading	1,282,747	1,347,026
Poker Machines	1,862,972	1,761,449
Catering	21,818	21,818
Coffee Bar	13,539	8,621
Raffles	44,621	47,251
Promotions and events	-	2,062
Keno	41,678	34,279
TAB	8,815	6,427
Bingo	11,248	8,763
Functions and hire	5,023	4,020
Member subscriptions	10,549	13,481
	<hr/> 10,549	<hr/> 13,481
Total sales	3,303,010	3,255,197
Cost of sales	1,038,159	1,078,379
	<hr/> 1,038,159	<hr/> 1,078,379
Gross Profit	2,264,851	2,176,818
Less: Expenses		
Auditors remuneration	19,600	38,350
Bank charges	11,656	8,740
Cleaning	21,019	19,263
Computer expenses	88,364	76,344
Accountancy	303	15,677
Filing fees	3,892	24,949
Gas	15,362	25,700
Legal Expenses	4,809	-
Long service leave	(17,297)	1,811
Advertising and Marketing	13,502	9,713
Members Amenities	47,068	60,270
Occupancy costs	369,763	354,216

Inverell Sporties Limited

ABN: 99 001 060 813

Inverell Sporties Limited

ABN: 99 001 060 813

Profit and Loss Account

30 June 2024

	2024	2023
	\$	\$
Other expenses	852	(4,525)
Movement in Employee Entitlement Provisions	(14,063)	(21,374)
Permits, licences and fees	6,154	9,045
Printing and stationery	11,471	14,116
Salaries	881,923	912,742
Directors expenses	4,145	1,500
Staff training	12,384	29,340
Superannuation contributions	89,485	91,696
Telephone and fax	6,381	7,146
Officer's Honoraria	13,200	13,200
Uniforms	2,681	5,854
Workers compensation	28,031	23,260
Depreciation	373,587	422,278
	<u>1,994,272</u>	<u>2,139,311</u>
Trading Profit	270,579	37,507
Other operating income/expenses:		
Administration and management fees	15,308	1,934
Commissions	80,450	33,133
Royalty income	-	28,375
Rental income	-	2,500
Recoveries	-	12,361
Other income	3,976	5,725
	<u>99,734</u>	<u>84,028</u>
Profit before income tax	370,313	121,535