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## **Inverell Sporties Limited**

ABN: 99 001 060 813

### **Financial Statements**

For the Year Ended 30 June 2023

# Inverell Sporties Limited

ABN: 99 001 060 813

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For the Year Ended 30 June 2023

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## Inverell Sporties Limited

ABN: 99 001 060 813

### Directors' Report For the Year Ended 30 June 2023

The directors present their report on Inverell Sporties Limited for the financial year ended 30 June 2023.

#### Directors

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

<b>Names</b>	<b>Position</b>	<b>Appointed/Resigned</b>
R V Adamson	Director	Appointed 29/10/2017, Resigned 17/07/2023
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
A J Hobday	Chairman	Appointed 29/01/2018
D J Kachel	Senior Deputy Chairman	Appointed 29/10/2017
A L Mepham	Director	Appointed 11/12/2017, Resigned 12/05/2023
D W Radford	Director	Appointed 29/10/2017
E I M Cumming	Director	Appointed 19/04/2021
S J Pearce	Director	Appointed 17/07/2023

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.

### 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 2023 the collective liability of members was \$ 8,306 (2022: \$ 5,792).

### Information on directors

R V Adamson	Director
Qualifications	Retired electrical linesman, baker & pastrycook 30 years a Secretary & Committee member of Inverell Civilian Rifle Club. Current holder of RSA & RCG Statements of Attainment. Attended Clubs NSW Mandatory Directors Training 2019.
Experience	6 years as a Director
Special Responsibilities	Greens subcommittee
P J Dunlop	Junior Deputy Chairman
Qualifications	Gas Fitter & Engineer Gas Bottle Testing. Current holder of RSA & RCG Statements of Attainment, and attended Clubs NSW Mandatory Directors Training, 2015 & 2019
Experience	12 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	6 years as a Director in current term, additional 1 year experience in a previous term
Special Responsibilities	Operational Compliance subcommittee

**Information on directors continued**

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	6 years as a Director
Special Responsibilities	AML/CTF subcommittee
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	6 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	6 Years as a Director
Special Responsibilities	Operational Compliance subcommittee, Finance/AML/CTF subcommittee and Greens subcommittee
A L Mephram	Director
Qualifications	Retired motor mechanic in own business (12 years) and Inverell Shire Council (23 years). Life Member, past President and Committee member of Inverell Tennis Club. Past President of Inverell RSM GT Ford Car Club. Past committee member Northern Foreshores. Current holder of RSA & RCG Statements of Attainment, and attended Clubs NSW Mandatory Directors Training, June 2018.
Experience	6 years as a director
Special Responsibilities	Finance/AML/CTF subcommittee and Greens subcommittee
D W Radford	Director
Qualifications	Hawksbury 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	6 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	2 years as Director
Special Responsibilities	Governance and Planning

**Information on directors continued**

S J Pearce Director  
 Qualifications Manager at Repco Auto Parts Inverell, employed at Repco since 1987, current holder of RSA  
 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

**Meetings of directors**

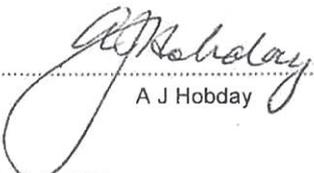
During the financial year, 12 meetings of directors (excluding subcommittees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Special Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
R V Adamson	11	10	3	3
P J Dunlop	12	12	3	3
S L Dunlop	12	12	3	3
M J Hauser	12	9	3	1
A J Hobday	12	10	3	2
D J Kachel	12	9	3	3
A L Mepham	9	7	2	2
D W Radford	12	10	3	3
E I M Cumming	12	6	3	3
S J Pearce	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 2023 has been received and can be found on page 5 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 21 August 2023

**ARMIDALE**

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## Inverell Sporties Limited

ABN: 99 001 060 813

### 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 2023, there have been:

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

*Forsyths*



Paul Cornall  
Principal

21 August 2023

121 Rusden St, Armidale NSW 2350

## Inverell Sporties Limited

ABN: 99 001 060 813

### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2023

		2023	2022
	Note	\$	\$
Sales and member revenue	4	3,255,197	2,401,215
Cost of sales		(1,078,379)	(666,620)
Gross profit		<u>2,176,818</u>	<u>1,734,595</u>
Other sources of income	4	84,028	68,905
Administrative expenses		(1,353,284)	(1,247,987)
Depreciation Expense		(422,278)	(409,360)
Advertising and Marketing expenses		(9,713)	(18,938)
Occupancy costs		(354,216)	(298,493)
Cash Write-off	5	-	(103,240)
<b>Profit/(Loss) for the year</b>		<u>121,355</u>	<u>(274,518)</u>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		<u>121,355</u>	<u>(274,518)</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 2023

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	547,260	299,139
Trade and other receivables	7	18,238	2,254
Inventories	8	47,766	42,427
Other financial assets	9	132,095	220,467
Other assets	10	6,000	5,000
<b>TOTAL CURRENT ASSETS</b>		<b>751,359</b>	<b>569,287</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	9	10	10
Property, plant and equipment	11	2,555,645	2,877,559
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,555,655</b>	<b>2,877,569</b>
<b>TOTAL ASSETS</b>		<b>3,307,014</b>	<b>3,446,856</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	240,816	325,787
Borrowings	13	89,763	167,815
Employee benefits	14	98,321	117,413
Contract liabilities	15	4,357	1,801
<b>TOTAL CURRENT LIABILITIES</b>		<b>433,257</b>	<b>612,816</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	13	31,664	118,700
Employee benefits	14	5,341	5,811
Contract liabilities	15	10,626	4,758
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>47,631</b>	<b>129,269</b>
<b>TOTAL LIABILITIES</b>		<b>480,888</b>	<b>742,085</b>
<b>NET ASSETS</b>		<b>2,826,126</b>	<b>2,704,771</b>
<b>EQUITY</b>			
Accumulated surplus		2,826,126	2,704,771
<b>TOTAL EQUITY</b>		<b>2,826,126</b>	<b>2,704,771</b>

The accompanying notes form part of these financial statements.

**Inverell Sporties Limited**

ABN: 99 001 060 813

**Statement of Changes in Equity  
For the Year Ended 30 June 2023**

**2023**

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

**2022**

	<b>Accumulated Surplus</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2021</b>	<b>2,979,289</b>	<b>2,979,289</b>
Profit/(deficit) attributable to members	<b>(274,518)</b>	<b>(274,518)</b>
<b>Balance at 30 June 2022</b>	<b><u>2,704,771</u></b>	<b><u>2,704,771</u></b>

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 2023

	2023	2022
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	3,661,862	2,713,753
Payments to suppliers and employees	(3,238,595)	(2,746,263)
Interest received	1,934	4,069
Net cash provided by/(used in) operating activities	20 <u>425,201</u>	<u>(28,441)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(100,364)	(546,510)
Net proceeds/(purchases) from financial assets	88,372	79,936
Net cash provided by/(used in) investing activities	<u>(11,992)</u>	<u>(466,574)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net proceeds/(repayment) from borrowings	(165,088)	16,414
Net cash provided by/(used in) financing activities	<u>(165,088)</u>	<u>16,414</u>
Net increase/(decrease) in cash and cash equivalents held	248,121	(478,601)
Cash and cash equivalents at beginning of year	<u>299,139</u>	<u>777,740</u>
Cash and cash equivalents at end of financial year	6 <u>547,260</u>	<u>299,139</u>

The accompanying notes form part of these financial statements.

## Inverell Sporties Limited

ABN: 99 001 060 813

# Notes to the Financial Statements

## For the Year Ended 30 June 2023

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.

## Inverell Sporties Limited

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# Notes to the Financial Statements

## For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies continued

#### (a) Revenue and other income continued

##### *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.

##### *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.

## Inverell Sporties Limited

ABN: 99 001 060 813

# Notes to the Financial Statements

## For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies continued

#### (g) Property, plant and equipment

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

##### 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. 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.

## **Inverell Sporties Limited**

ABN: 99 001 060 813

# **Notes to the Financial Statements**

## **For the Year Ended 30 June 2023**

### **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.

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.

## **Inverell Sporties Limited**

ABN: 99 001 060 813

# **Notes to the Financial Statements**

## **For the Year Ended 30 June 2023**

### **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.

## Inverell Sporties Limited

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### Notes to the Financial Statements For the Year Ended 30 June 2023

#### 4 Revenue and Other Income

##### Revenue from continuing operations

	2023	2022
	\$	\$
<b>Contracts with customers</b>		
<b>Sales and member revenue</b>		
- Bar Trading	1,347,026	866,135
- Poker Machines (net takings)	1,761,449	1,411,634
- Bistro Rent	21,818	16,654
- Coffee Bar	8,621	6,526
- Keno	34,279	27,684
- Raffles	47,251	27,838
- TAB	6,427	6,678
- Bingo	8,763	11,553
- Member subscriptions	13,481	14,703
- Functions and hire	4,020	3,457
- Promotions and events	2,062	8,353
	<u>3,255,197</u>	<u>2,401,215</u>

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

	2023	2022
	\$	\$
<b>Other sources of revenue</b>		
- Interest received	1,934	4,069
- Supplier rebates and grants	33,133	22,497
- Cash card rebate	28,375	28,007
- Wage subsidies	2,500	8,062
- Insurance recoveries	12,361	-
- Sundry income	5,725	6,270
	<u>84,028</u>	<u>68,905</u>

#### 5 Result for the Year

The result for the year includes the following specific expenses:

	2023	2022
	\$	\$
Employee benefit expenses	1,037,475	815,430
Superannuation contributions	91,696	79,394
Cash write-off	-	103,240

## Inverell Sporties Limited

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### Notes to the Financial Statements For the Year Ended 30 June 2023

#### 6 Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash on hand	230,390	136,420
Bank balances	316,870	162,719
Cash at bank and in hand	<u>547,260</u>	<u>299,139</u>

#### 7 Trade and Other Receivables

	2023	2022
	\$	\$
CURRENT		
Trade receivables	<u>18,238</u>	<u>2,254</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

	2023	2022
	\$	\$
CURRENT		
At cost:		
Finished goods	<u>47,766</u>	<u>42,427</u>

#### 9 Other Financial Assets

##### Investments held at Amortised Cost

	2023	2022
	\$	\$
CURRENT		
Term Deposits	<u>132,095</u>	<u>220,467</u>
NON-CURRENT		
Other investments -at cost		
Regional Australia Bank Shares	<u>10</u>	<u>10</u>

**Inverell Sporties Limited**

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**Notes to the Financial Statements  
For the Year Ended 30 June 2023**

**10 Other Assets**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
CURRENT		
Equipment Bond	<b>1,000</b>	-
TAB Security Deposit	<b>5,000</b>	5,000
	<b>6,000</b>	5,000

## Inverell Sporties Limited

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### Notes to the Financial Statements For the Year Ended 30 June 2023

#### 11 Property, plant and equipment

	2023	2022
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At cost	67,500	67,500
Total Land	<u>67,500</u>	<u>67,500</u>
Buildings		
At cost	2,302,290	2,252,256
Accumulated depreciation	(764,589)	(722,462)
Total buildings	<u>1,537,701</u>	<u>1,529,794</u>
Total land and buildings	<u>1,605,201</u>	<u>1,597,294</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	710,417	707,923
Accumulated depreciation	(404,787)	(330,094)
Total plant and equipment	<u>305,630</u>	<u>377,829</u>
Furniture, fixtures and fittings		
At cost	619,908	600,572
Accumulated depreciation	(420,626)	(384,624)
Total furniture, fixtures and fittings	<u>199,282</u>	<u>215,948</u>
Motor vehicles		
At cost	52,433	52,433
Accumulated depreciation	(37,377)	(33,006)
Total motor vehicles	<u>15,056</u>	<u>19,427</u>
Gaming Machines		
At cost	1,560,823	1,532,323
Accumulated depreciation	(1,130,347)	(865,262)
Total Gaming machines	<u>430,476</u>	<u>667,061</u>
Total plant and equipment	<u>950,444</u>	<u>1,280,265</u>
<b>Total property, plant and equipment</b>	<u><b>2,555,645</b></u>	<u><b>2,877,559</b></u>

**Inverell Sporties Limited**

ABN: 99 001 060 813

**Notes to the Financial Statements**  
For the Year Ended 30 June 2023

**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 2023							
Balance at beginning of the year	67,500	1,529,794	377,829	215,948	19,427	667,061	2,877,559
Additions	-	50,034	2,494	19,336	-	28,500	100,364
Depreciation	-	(42,127)	(74,693)	(36,002)	(4,371)	(265,085)	(422,278)
<b>Balance at the end of the year</b>	<b>67,500</b>	<b>1,537,701</b>	<b>305,630</b>	<b>199,282</b>	<b>15,056</b>	<b>430,476</b>	<b>2,555,645</b>

## Inverell Sporties Limited

ABN: 99 001 060 813

### Notes to the Financial Statements For the Year Ended 30 June 2023

#### 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

	2023	2022
	\$	\$
Current		
Trade payables	61,195	96,381
GST payable	32,930	44,499
Payroll liabilities	11,006	34,007
Sundry payables and accrued expenses	135,685	150,900
	<u>240,816</u>	<u>325,787</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

	2023	2022
	\$	\$
CURRENT		
Secured liabilities:		
Vendor loans	89,763	167,815
<b>Total current borrowings</b>	<u>89,763</u>	<u>167,815</u>
	2023	2022
	\$	\$
NON-CURRENT		
Secured liabilities:		
Vendor loans	31,664	118,700
<b>Total non-current borrowings</b>	<u>31,664</u>	<u>118,700</u>

Vendor loans are in relation to poker machine replacements. These loans are non-interest bearing and secured over the assets financed. Repayment are over 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 2023

#### 14 Employee Benefits

	2023	2022
	\$	\$
Current liabilities		
Long service leave	26,703	24,422
Annual leave	71,618	92,991
	<u>98,321</u>	<u>117,413</u>
	2023	2022
	\$	\$
Non-current liabilities		
Long service leave	5,341	5,811

#### 15 Contract Liabilities

	2023	2022
	\$	\$
Current		
Revenue and members subscriptions in advance	4,357	1,801
Non-Current		
Revenue and members subscriptions in advance	10,626	4,758

#### 16 Auditors' Remuneration

Audit services of \$25,250 (2022: \$27,600) were provided by Forsyths including additional fees of \$2,000 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 \$ 262,981 (2022: \$ 247,296).

#### 18 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2023 except for the matter below (30 June 2022:None).

There is an ongoing matter with an employee and member of the Club that involves Union and Fair Work Commission. The Directors have assessed the matter to have no financial impact on the Club.

## Inverell Sporties Limited

ABN: 99 001 060 813

### Notes to the Financial Statements For the Year Ended 30 June 2023

#### 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.

#### 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:

	2023	2022
	\$	\$
Profit for the year	121,355	(274,518)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	422,278	409,360
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(15,984)	(1,204)
- (increase)/decrease in prepayments	(1,000)	-
- (increase)/decrease in inventories	(5,339)	6,408
- increase/(decrease) in income in advance	8,424	2,402
- increase/(decrease) in trade and other payables	(84,971)	(149,379)
- increase/(decrease) in employee benefits	(19,562)	(21,510)
Cashflows from operations	<u>425,201</u>	<u>(28,441)</u>

#### 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 2023 of \$42,699 (2022: \$43,511) and had a loss for the year of \$674 (2022: Profit \$1,195). The Men's bowling section of the Club (known as the 'Inverell East Men's Bowling Club') held net assets at 30 June 2023 of \$14,072 (2022: \$17,835) and had a loss for the year \$3,764 (2022: Profit \$3,174). 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 21 August 2023 by the Board of Directors.

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.

**Inverell Sporties Limited**

ABN: 99 001 060 813

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2023**

**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**

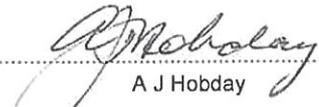
ABN: 99 001 060 813

**Directors' Declaration**

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 23, 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 2023 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 21/01/2023

**ARMIDALE**

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armidale@forsyths.com.au

**Inverell Sporties Limited****Independent Audit Report to the members of Inverell Sporties Limited****Report on the Audit of the Financial Report****Qualified Opinion**

We have audited the accompanying financial report, being a general purpose financial report of Inverell Sporties Limited (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, 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, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report of the Company for the year ended 30 June 2023 is prepared, in all material respects, in accordance with Australian Accounting Standards.

**Basis for Qualified Opinion**

The Company experienced significant cash transaction losses and other issues in the previous financial year. We were unable to confirm or verify by alternative means if the variances were due to error or fraud. As a result, we disclaimed our opinion in the previous financial year.

During the current financial year, the Company implemented cash controls and our audit testing did not identify cash transaction losses and any other significant issues. However, we have no comfort over the comparatives from previous year due to the disclaimer. As a result, our opinion is qualified in the current financial year in respect of the comparatives from the previous financial year.

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 ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Responsibilities of Management and Those Charged with Governance**

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## Inverell Sporties Limited

# Independent Audit Report to the members of Inverell Sporties Limited

### Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to conduct an audit of the Company's financial report in accordance with the Australian Auditing Standards and issue an auditor's report. However, because of the matters described in the *Basis of Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate evidence to provide a basis for an audit opinion on the financial report's comparatives.

We are independent of the entity in accordance with the ethical requirements of the Accounting Professionals and Ethical Standards Board' 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.

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 management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 reporter, 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 management 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 management 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 management, 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*



Paul Cornall  
Partner

Armidale, NSW  
21 August 2023

**ARMIDALE**

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## **Inverell Sporties Limited**

ABN: 99 001 060 813

**For the Year Ended 30 June 2023**

## **Disclaimer**

The additional financial data presented on pages 28-31 is in accordance with the books and records of the Company which have been subjected to the auditing procedures applied in our statutory audit of the Company for the year ended 30 June 2023. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Inverell Sporties Limited) in respect of such data, including any errors or omissions therein however caused.

*Forsyths*



Paul Cornall  
Partner

21 August 2023

## Inverell Sporties Limited

ABN: 99 001 060 813

### For the Year Ended 30 June 2023

	2023	2022
	\$	\$
<b>Bar Trading</b>		
<b>Sales revenue</b>		
Sales	1,347,026	866,135
<b>Cost of sales</b>		
Purchases and stock movements	(549,002)	(409,049)
<b>Gross profit</b>	<u>798,024</u>	<u>457,086</u>
	59.24 %	52.77 %
<b>Less: Direct expenses</b>		
Wages	(435,076)	(302,951)
	<u>435,076</u>	<u>302,951</u>
<b>Net profit / (loss)</b>	<u>362,948</u>	<u>154,135</u>
	2023	2022
	\$	\$
<b>Poker Machines</b>		
<b>Sales revenue</b>		
Sales	1,761,449	1,411,634
<b>Cost of sales</b>		
<b>Less: Direct expenses</b>		
Direct expense	(250,889)	(164,655)
	<u>250,889</u>	<u>164,655</u>
<b>Net profit / (loss)</b>	<u>1,510,560</u>	<u>1,246,979</u>
	2023	2022
	\$	\$
<b>Bistro Rent</b>		
<b>Revenue</b>		
Rent	21,818	16,654
<b>Gross profit</b>	<u>21,818</u>	<u>16,654</u>
<b>Gross profit (%)</b>	<u>100.00 %</u>	<u>100.00 %</u>
<b>Net profit / (loss)</b>	<u>21,818</u>	<u>16,654</u>

## Inverell Sporties Limited

ABN: 99 001 060 813

### For the Year Ended 30 June 2023

	2023	2022
	\$	\$
<b>Coffee Bar</b>		
<b>Sales revenue</b>		
Sales	8,621	6,526
<b>Cost of sales</b>		
Purchases and stock movements	<u>(2,296)</u>	<u>(2,700)</u>
<b>Gross profit</b>	<u>6,325</u>	<u>3,826</u>
<b>Gross profit (%)</b>	73.37 %	58.63 %
<b>Net profit / (loss)</b>	<u>6,325</u>	<u>3,826</u>
	2023	2022
	\$	\$
<b>Keno</b>		
<b>Income</b>		
Keno Income	34,279	27,684
<b>Less: Direct expenses</b>		
Keno expense	<u>(4,048)</u>	<u>(12,942)</u>
<b>Net profit / (loss)</b>	<u>30,231</u>	<u>14,742</u>
	2023	2022
	\$	\$
<b>Raffles</b>		
<b>Income</b>		
Raffles	47,251	27,838
<b>Less: Direct expenses</b>		
Raffles	<u>(40,516)</u>	<u>(33,329)</u>
<b>Net profit / (loss)</b>	<u>6,735</u>	<u>(5,491)</u>
	2023	2022
	\$	\$
<b>TAB</b>		
<b>Income</b>		
TAB Income	6,427	6,678
<b>Less: Direct expenses</b>		
Direct expense	<u>(18,956)</u>	<u>(11,191)</u>
<b>Net profit / (loss)</b>	<u>(12,529)</u>	<u>(4,513)</u>

## Inverell Sporties Limited

ABN: 99 001 060 813

### For the Year Ended 30 June 2023

	2023	2022
	\$	\$
<b>Bingo</b>		
<b>Income</b>		
Bingo income	8,763	11,553
<b>Less: Direct expenses</b>		
Direct expenses	<u>(11,178)</u>	<u>(11,926)</u>
<b>Net profit / (loss)</b>	<u><u>(2,415)</u></u>	<u><u>(373)</u></u>

## Profit and Loss Account

	2023	2022
	\$	\$
<b>Sales</b>		
Bar Trading	1,347,026	866,135
Poker Machines	1,761,449	1,411,634
Bistro Rent	21,818	16,654
Coffee Bar	8,621	6,526
Raffles	47,251	27,838
Promotions and events	2,062	8,353
Keno	34,279	27,684
TAB	6,427	6,678
Bingo	8,763	11,553
Functions and room hire	4,020	3,457
Member subscriptions	<u>13,481</u>	<u>14,703</u>
<b>Total sales</b>	<b>3,255,197</b>	<b>2,401,215</b>
Cost of sales	<u>1,078,379</u>	<u>650,316</u>
<b>Gross Profit</b>	<b>2,176,818</b>	<b>1,750,899</b>
<b>Less: Expenses</b>		
Auditors remuneration	38,350	16,850
Bank charges	8,740	5,364
Cleaning	19,263	11,843
All computer expenses	76,344	63,195
Consumables	-	4,067
Forensic review	15,677	-
Bowls Expense	-	2,456
Sponsorships & Donations	24,949	236
Bowls section	180	1,094
Gas - Bistro	21,110	16,304
Gas - Bar	4,590	3,255
Legal Expenses	-	664
Long service leave	1,811	2,040
Advertising and Marketing	9,713	18,938
Members Amenities	60,270	114,419
Occupancy costs	354,216	298,493
Other expenses	(4,525)	33,799
Movement in Employee Entitlement Provisions	<u>(21,374)</u>	<u>57,877</u>

## Inverell Sporties Limited

ABN: 99 001 060 813

For the Year Ended 30 June 2023

### Profit and Loss Account

	2023	2022
	\$	\$
Permits, licences and fees	9,045	7,098
Postage	-	562
Printing and stationery	14,116	7,796
Software (Poker upgrades)	-	40,258
Salaries	912,742	717,598
Directors expenses	1,500	3,840
Staff training	29,340	21,712
Superannuation contributions	91,696	79,394
Telephone and fax	7,146	14,043
Officer's Honoraria	13,200	12,965
Uniforms	5,854	5,881
Trade Journals & Affiliation Fees	-	3,478
Workers compensation	23,260	16,203
Depreciation	422,278	409,360
	<u>2,139,491</u>	<u>1,991,082</u>
<b>Trading Profit/ (Loss)</b>	<b>37,327</b>	<b>(240,183)</b>
<b>Other operating income/expenses:</b>		
Interest Received	1,934	4,069
Rebates (Poker & Bar)	33,133	22,497
Cash card rebate	28,375	28,007
Wage subsidies	2,500	8,062
Recoveries	12,361	-
Sundry Income	5,725	6,270
Cash write-off	-	(103,240)
	<u>84,028</u>	<u>(34,335)</u>
<b>Profit before income tax</b>	<b>121,355</b>	<b>(274,518)</b>