

Byron Bay Services Club Limited

ABN: 97 001 490 179

Financial Statements

For the Year Ended 30 June 2022

Byron Bay Services Club Limited

ABN: 97 001 490 179

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For the Year Ended 30 June 2022

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Byron Bay Services Club Limited

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Directors' Report For the Year Ended 30 June 2022

The directors present their report on Byron Bay Services Club Limited ('the Company') for the financial year ended 30 June 2022.

Information on directors

Anthony Russell McCabe	
Experience	Director 34 years. Previously Director 1978 - 1980.
Special Responsibilities	Treasurer
Robert De Kantzow	
Experience	Director 4 years.
Clinton Howard Bown	
Experience	Director 1 year.
Kevin Edward Tibbett	
Experience	Director 15 years. Vice President 6 years.
Special Responsibilities	President
Brian James Lee	
Experience	Director 14 years.
Special Responsibilities	Vice President
Violet Terese Hill	
Experience	Director 1 year.
John Burgum Langler	
Experience	Director 14 years.
Jane Sigrid Millar	
Experience	Director 7 years.
Stephen James Rogers	
Experience	Director 7 years.

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

Principal activities

The principal activity of the Company during the financial year remained unchanged and was the provision of social activities for members.

During the year the Company continued to be impacted by COVID-19. Current operations are subject to a number of restrictions imposed by the NSW State Government and these restrictions are altered from time to time. The Company continues to adhere to these requirements and will continue to closely monitor results to manage the expected economic impacts.

Short term and Long term objectives

The Company's short and long term objectives are to ensure that the Company's financial position remains sound,

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Directors' Report

For the Year Ended 30 June 2022

Short term and Long term objectives (continued)

ensuring that members and patrons can enjoy their club for many years to come.

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- Carefully monitor income and expenditure to improve operating profit;
- Introduce new ideas that will attract more people to the club and improve income streams;
- Explore opportunities for diversification; and
- Promote the above objectives at every opportunity.

How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by providing the best facilities and by continually looking at ways to attract participants to social activities. This has provided the Company with an excellent source of income so the Company can continue to make improvements and remain viable into the future. The Company has to ensure it continues to provide a quality venue for members and visitors to enjoy the facilities socially.

Performance measures

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

- Bar Sale Gross Profit Percentage. 2022: 57.12% (2021: 57.75%)
- Kitchen Sales Gross Profit Percentage. 2022: 57.86% (2021: 59.29%)

Members guarantee

Byron Bay Services Club Limited is a company limited by guarantee. The number of members as at 30 June 2022 is 5,886 (2021: 6,550).

In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$5 for members that are corporations and \$5 for all other members, subject to the provisions of the Company's constitution.

At 30 June 2022 the collective liability of members was \$29,430 (2021: \$32,750).

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Directors' Report

For the Year Ended 30 June 2022

Operating Results

The operating profit for the Company for the financial year amounted to \$593,492 (2021: operating profit of \$957,235).

Core/Non-Core Property

The Directors have resolved that the Company's main premises and the land it occupies (excluding car park and other unrelated land) is deemed to be core property for the purposes of Section 41J of the *Registered Clubs Act (1976)*.

Meetings of directors

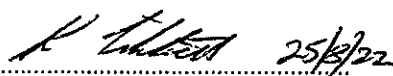
During the financial year, 12 monthly meetings of directors were held. Attendances by each director during the year were as follows:


	Directors' Meetings	
	Number eligible to attend	Number attended
Anthony Russell McCabe	12	12
Kevin Edward Tibbett	12	11
Brian James Lee	12	9
John Burgum Langler	12	10
Jane Sigrid Millar	12	12
Stephen James Rogers	12	11
Robert De Kantzow	12	11
Clinton Howard Bown	12	9
Violet Terese Hill	12	9

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 2022 has been received and can be found on page 4 of the financial report.

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

Director:  25/8/22
Kevin Edward Tibbett, President

Director:  25/8/22
Anthony Russell McCabe, Treasurer

Dated this 25th day of August 2022



Thomas Noble & Russell
 Accountants | Auditors | Business Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Byron Bay Services Club Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

Dated at Byron Bay this 25th day of August 2022.

THOMAS NOBLE & RUSSELL
CHARTERED ACCOUNTANTS

Per:



.....
 A J BRADFIELD (Partner)
 Registered Company Auditor

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**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2022**

		2022	2021
	Note	\$	\$
Revenue	4	5,042,559	5,840,943
Other income	4	167,778	269,393
Cost of goods sold		(826,931)	(909,916)
Employee benefits expense	5	(1,533,134)	(1,834,516)
Depreciation and amortisation expense	5	(579,399)	(635,074)
Repairs and maintenance		(153,356)	(166,734)
Administration and other costs		(755,178)	(681,147)
Entertainment		(282,239)	(318,335)
Poker machine taxes		(485,711)	(551,529)
Finance costs		(1,128)	-
Profit/(loss) before income tax		593,261	1,013,085
Income tax expense	6	231	(55,850)
Profit/(loss) for the year		593,492	957,235
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified to profit or loss when specific conditions are met		-	-
Total comprehensive income for the year		593,492	957,235

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As at 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	3,723,661	3,267,303
Trade and other receivables	8	23,879	17,639
Inventories	9	58,672	54,484
Financial assets	13	400,000	-
Other assets	10	76,720	60,083
TOTAL CURRENT ASSETS		4,282,932	3,399,509
NON-CURRENT ASSETS			
Deferred tax assets	12	261,044	256,455
Financial assets	13	500,000	250,000
Property, plant and equipment	14	2,964,933	3,293,557
Intangible assets	15	1,003,723	1,005,523
Right-of-use assets	11	110,700	-
Other assets	10	750	750
TOTAL NON-CURRENT ASSETS		4,841,150	4,806,285
TOTAL ASSETS		9,124,082	8,205,794
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	16	493,804	340,158
Current tax liabilities	12	31,224	26,866
Contract liabilities	17	26,307	18,966
Provisions	18	192,070	149,054
Lease liabilities	11	42,696	-
TOTAL CURRENT LIABILITIES		786,101	535,044
NON-CURRENT LIABILITIES			
Lease liabilities	11	68,547	-
Provisions	18	14,330	9,138
TOTAL NON-CURRENT LIABILITIES		82,877	9,138
TOTAL LIABILITIES		868,978	544,182
NET ASSETS		8,255,104	7,661,612
EQUITY			
Retained earnings		8,255,104	7,661,612
TOTAL EQUITY		8,255,104	7,661,612

The accompanying notes form part of these financial statements.

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**Statement of Changes in Equity
For the Year Ended 30 June 2022**

2022

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2021	7,661,612	7,661,612
Net profit/(loss) for the year	593,492	593,492
Balance at 30 June 2022	<u>8,255,104</u>	<u>8,255,104</u>

2021

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2020	6,704,377	6,704,377
Net profit/(loss) for the year	957,235	957,235
Balance at 30 June 2021	<u>7,661,612</u>	<u>7,661,612</u>

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 30 June 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	5,196,349	5,834,084
Payments to suppliers and employees	(3,875,133)	(4,454,483)
Interest received	15,087	9,465
Income taxes refunded/(paid)	-	(18,598)
Receipt from grants	-	396,500
Net cash provided by operating activities	<u>1,336,303</u>	<u>1,766,968</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for intangible asset	-	(175,000)
Purchase of property, plant and equipment	(222,830)	(293,007)
Purchase of financial assets	(650,000)	(250,000)
Net cash used by investing activities	<u>(872,830)</u>	<u>(718,007)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of lease liabilities	(7,116)	-
Net cash used by financing activities	<u>(7,116)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents held	456,357	1,048,961
Cash and cash equivalents at beginning of year	3,267,303	2,218,342
Cash and cash equivalents at end of financial year	7(a) <u>3,723,660</u>	<u>3,267,303</u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Year Ended 30 June 2022

The financial report covers Byron Bay Services Club Limited as an individual entity. Byron Bay Services Club Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Byron Bay Services Club 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, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies (continued)

(b) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that 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. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

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 from the sale of goods is recognised at the point of delivery to the customer as this is deemed to be the point in time when the performance obligation is satisfied.

Rendering of services

Revenue from rendering of services is recognised in the accounting period in which the services are rendered. For fixed price contracts, revenue is recognised based on the actual services provided to the end of the reporting period as a proportion of the total services to be provided as the customer receives and uses the benefit simultaneously.

Grant revenue

Grant revenue is recognised in profit or loss when the Company satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the Company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies (continued)

(c) 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 payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

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.

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received.

(e) Property, Plant and Equipment

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

Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

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 estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Buildings	12 - 50 years
Plant and Equipment	4 - 50 years
Poker Machines	2 - 10 years
Furniture and Fittings	3 - 13 years

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.

(f) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is any evidence of impairment for its non-financial assets.

Where this indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies (continued)

(f) Impairment of non-financial assets (continued)

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Company, if deprived of the asset, would replace its remaining future economic benefits, value in use shall be determined at the depreciated replacement cost of the asset.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(g) Intangibles

Poker Machine Entitlements

Poker machine entitlements were granted to the company by the NSW government prior to 1 July 2004. Poker machine entitlements have been recognised in the statement of financial position at their fair value at 1 July 2004 which has been deemed to be their cost. Subsequent acquisitions of poker machine entitlements are recognised at cost.

Poker machine entitlements are assessed as being intangible assets with an indefinite useful life and have not been amortised. Poker machine entitlements continue to be carried at cost in the statement of financial position and are subject to an annual impairment test.

Website

Website costs are carried at cost less, where applicable, any accumulated amortisation and impairment.

Costs include purchase price, other directly attributable costs and other incidental costs incurred. The costs are amortised on a straight-line basis over 7 years.

(h) Cash and cash equivalents

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

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies (continued)

(i) Leases

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

Right-of-use asset

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the Financial Statements

For the Year Ended 30 June 2022

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 present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

(k) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(l) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(m) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 1 July 2021, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

The following Accounting Standards and Interpretations are most relevant to the Company:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Company has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Company's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The Company has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for auditor's remuneration and other minor areas.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies (continued)

(n) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The directors have decided against early adoption of these Standards, but does not expect the adoption of these standards to have any impact on the reported position or performance of the Company.

3 Critical Accounting Estimates and Judgements

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

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.

Estimation of useful lives of assets

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

Poker machine entitlements

The Company tests annually, or more frequently if events or changes in circumstances indicate impairment, whether poker machine entitlements have suffered any impairment, in accordance with the accounting policy stated in Note 2(g). The recoverable amounts of poker machine entitlements have been determined based on their fair value less costs of disposal.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

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

Recovery of deferred tax assets

Determining income tax provisions involves judgment on the tax treatment of certain transactions. Deferred tax is recognised on tax losses not yet used and on temporary differences where it is probable that there will be taxable revenue against which these can be offset. Management has made judgments as to the probability of future taxable revenues being generated against which tax losses will be available for offset based on budgets, current and future expected economic conditions.

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Notes to the Financial Statements

For the Year Ended 30 June 2022

4 Revenue and Other Income

	2022	2021
	\$	\$
Revenue from contracts with customers		
Sale of goods:		
- Bar sales	890,403	1,083,290
- Catering	1,056,399	1,110,800
Services:		
- Poker machine revenue	2,908,754	3,437,820
- Gaming tax rebate	17,184	17,184
- Membership subscriptions	22,282	20,360
- Keno commission	33,029	32,030
- Tab commission	4,043	30,858
- Other revenue	35,970	40,314
Total revenue from contracts with customers*	4,968,064	5,772,656
Other revenue		
- Interest	15,087	9,465
- Rental income	59,408	58,822
Total revenue	5,042,559	5,840,943

* With the exception of members subscriptions, all revenue from contracts with customers is recognised at a point in time. All revenue from contracts with customers is derived in Byron Bay, Australia.

Other Income

- Grants (COVID-19 related)	167,778	269,393
Total other income	167,778	269,393

5 Expenses

Depreciation and Amortisation

Depreciation - buildings	193,690	183,829
Depreciation - plant, equipment, furniture and fittings	134,080	148,562
Depreciation - poker machines	243,298	300,888
Amortisation - website	1,800	1,795
Amortisation - right-of-use assets	6,531	-
Total Depreciation and Amortisation	579,399	635,074
Employee benefits expense includes:		
Superannuation contributions	128,729	145,383

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Notes to the Financial Statements

For the Year Ended 30 June 2022

6 Income Tax Expense

(a) The major components of tax expense (income) comprise:

	2022	2021
Note	\$	\$
Current tax expense	4,358	12,213
Deferred tax expense	(4,589)	43,637
Total income tax expense	(231)	55,850

(b) Reconciliation of income tax to accounting profit:

Prima facie tax payable on profit from ordinary activities before income tax at 25% (2021: 26%)	148,315	263,402
Less tax effect of:		
- non-deductible and non-assessable items	(148,546)	(207,552)
Income tax expense	(231)	55,850

7 Cash and cash equivalents

Cash on hand	195,000	175,000
Cash at bank	2,428,341	1,592,303
Short-term deposits	1,100,320	1,500,000
Total cash and cash equivalents	7(a) 3,723,661	3,267,303

(a) Reconciliation of cash

Cash and cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

Cash and cash equivalents	7 3,723,661	3,267,303
Balance as per statement of cash flows	3,723,661	3,267,303

8 Trade and other receivables

CURRENT

Trade receivables	23,879	17,639
Total current trade and other receivables	23,879	17,639

Byron Bay Services Club Limited

ABN: 97 001 490 179

Notes to the Financial Statements For the Year Ended 30 June 2022

9 Inventories

	2022	2021
Note	\$	\$
CURRENT		
At cost:		
Bar stock	42,144	39,668
Kitchen stock	16,528	14,816
Total current inventories	58,672	54,484

10 Other Assets

CURRENT		
Prepayments	71,720	55,083
Security deposit	5,000	5,000
Total current other assets	76,720	60,083
NON-CURRENT		
Shares - Independent Liquor Group	750	750
Total non-current other assets	750	750

11 Leases

Company as a lessee

The Company has leases for poker machine licenses.

Terms and conditions of leases

The lease agreement is for 3 years, with fixed lease payments over the term.

(a) Right-of-use assets

	Poker machines	Total
	\$	\$
Year ended 30 June 2022		
Balance at the beginning of the year	-	-
Amortisation	(6,531)	(6,531)
Additions to right-of-use assets	117,231	117,231
Balance at end of year	110,700	110,700

Byron Bay Services Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2022

11 Leases (continued)

(b) Lease liabilities

	2022	2021
	\$	\$
CURRENT		
Lease liability	42,696	-
Total current lease liabilities	42,696	-
NON-CURRENT		
Lease liability	68,547	-
Total non-current lease liabilities	68,547	-

(c) Income Statement

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to interest expense on lease liabilities and short-term leases or leases of low value assets are shown below:

Interest expense on lease liabilities	1,128	-
	1,128	-

(d) Statement of Cash Flows

Total cash outflow for leases	7,116	-
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12 Tax Assets and Liability

(a) Current tax liability

CURRENT		
Income tax payable	31,224	26,866
Total current income tax payable	31,224	26,866

Byron Bay Services Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2022

12 Tax Assets and Liability (continued)

(b) Deferred tax assets

	2022	2021
	\$	\$
NON-CURRENT		
Deferred tax assets	12(c) 261,044	256,455
Total deferred tax assets	<u>261,044</u>	<u>256,455</u>

(c) Deferred tax assets comprise:

	Opening Balance	Charged to Income	Closing Balance
	\$	\$	\$
Deferred tax assets			
Property, plant and equipment			
- tax allowances	288,277	(43,108)	245,169
Provisions	12,787	(740)	12,047
Other	(972)	211	(761)
Balance at 30 June 2021	<u>300,092</u>	<u>(43,637)</u>	<u>256,455</u>
Property, plant and equipment			
- tax allowances	245,169	271	245,440
Provisions	12,047	4,450	16,497
Other	(761)	(132)	(893)
Balance at 30 June 2022	<u>256,455</u>	<u>4,589</u>	<u>261,044</u>

13 Financial assets

	2022	2021
	\$	\$
CURRENT		
Financial assets	400,000	-
Total current financial assets	<u>400,000</u>	<u>-</u>
NON-CURRENT		
Financial assets at amortised cost:		
- Long-term deposits	500,000	250,000
Total non-current other financial assets	<u>500,000</u>	<u>250,000</u>

Byron Bay Services Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2022

14 Property, plant and equipment

	2022	2021
	\$	\$
Freehold land		
At cost	523,160	523,160
Total freehold land	<u>523,160</u>	<u>523,160</u>
Buildings		
At cost	6,100,319	5,989,765
Accumulated depreciation	(4,616,257)	(4,423,129)
Total buildings	<u>1,484,062</u>	<u>1,566,636</u>
Plant, equipment, furniture and fittings		
At cost	2,867,219	2,895,849
Accumulated depreciation	(2,377,662)	(2,320,637)
Total plant, equipment, furniture and fittings	<u>489,557</u>	<u>575,212</u>
Poker machines		
At cost	2,880,867	2,981,356
Accumulated depreciation	(2,412,713)	(2,352,807)
Total poker machines	<u>468,154</u>	<u>628,549</u>
Total property, plant and equipment	<u><u>2,964,933</u></u>	<u><u>3,293,557</u></u>

Notes to the Financial Statements
 For the Year Ended 30 June 2022

14 Property, plant and equipment (continued)

(a) Movements in Carrying Amounts

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

	Capital Works in Progress	Land	Buildings	Plant, Equipment, Furniture and Fittings	Poker Machines	Total
	\$	\$	\$	\$	\$	\$
Year ended 30 June 2022						
Balance at the beginning of the year	-	523,160	1,566,636	575,212	628,549	3,293,557
Additions	-	-	111,116	48,425	82,903	242,444
Disposals - written down value	-	-	-	-	-	-
Depreciation expense	-	-	(193,690)	(134,080)	(243,298)	(571,068)
Balance at the end of the year	-	523,160	1,484,062	489,557	468,154	2,964,933

Byron Bay Services Club Limited

ABN: 97 001 490 179

Notes to the Financial Statements

For the Year Ended 30 June 2022

15 Intangible Assets

	2022	2021
	\$	\$
Website		
Cost	12,000	12,000
Accumulated amortisation and impairment	(8,277)	(6,477)
Net carrying value	<u>3,723</u>	<u>5,523</u>
Poker machine entitlements		
At cost	1,000,000	1,000,000
Net carrying value	<u>1,000,000</u>	<u>1,000,000</u>
Total intangibles	<u><u>1,003,723</u></u>	<u><u>1,005,523</u></u>

(a) Movements in carrying amounts of intangible assets

	Website	Poker Machine Entitlements	Total
	\$	\$	\$
Year ended 30 June 2022			
Balance at the beginning of the year	5,523	1,000,000	1,005,523
Additions	-	-	-
Amortisation	(1,800)	-	(1,800)
Closing value at 30 June 2022	<u><u>3,723</u></u>	<u><u>1,000,000</u></u>	<u><u>1,003,723</u></u>

16 Trade and other payables

	2022	2021
	\$	\$
CURRENT		
<i>Unsecured liabilities</i>		
Trade payables	136,137	124,689
GST payable	117,176	65,589
Sundry payables and accrued expenses	240,491	149,880
Total current trade and other payables	<u><u>493,804</u></u>	<u><u>340,158</u></u>

Byron Bay Services Club Limited

ABN: 97 001 490 179

Notes to the Financial Statements

For the Year Ended 30 June 2022

17 Contract Liabilities

	2022	2021
	\$	\$
CURRENT		
Subscriptions received in advance	26,307	18,966
Total current other liabilities	26,307	18,966

18 Provisions

CURRENT		
Employee benefits - Long service leave	76,684	66,690
Employee benefits - Annual leave	115,386	82,364
Total current provisions	192,070	149,054
NON-CURRENT		
Employee benefits - Long service leave	14,330	9,138
Total non-current provisions	14,330	9,138

Provision for employee benefits

Provision for employee benefits includes amounts accrued for annual leave and long service leave.

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

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

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 2(j).

Notes to the Financial Statements

For the Year Ended 30 June 2022

19 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, term deposits, and accounts receivable and payable.

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

	Note	2022 \$	2021 \$
Financial Assets			
<i>Financial assets at amortised cost:</i>			
- Cash and cash equivalents	7	3,723,661	3,267,303
- Trade and other receivables	8	23,879	17,639
- Financial assets	13	900,000	250,000
Total financial assets		4,647,540	3,534,942
Financial Liabilities			
<i>Financial liabilities at amortised cost:</i>			
- Trade and other payables	16	493,804	340,158
Total financial liabilities		493,804	340,158

20 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$5 each towards meeting any outstandings and obligations of the Company. At 30 June 2022 the number of members was 5,886 (2021: 6,550).

21 Fair Value Measurement

The Company does not measure any assets or liabilities at fair value on a recurring or non-recurring basis in the statement of financial position after initial recognition.

22 Key Management Personnel Disclosures

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

The total remuneration paid to key management personnel of the Company is \$325,201 (2021: \$346,551).

23 Related Parties

The directors named in the attached Director's Report each held office as a director of the Company during the year ended 30 June 2022.

There were no related party transactions during the year.

Byron Bay Services Club Limited

ABN: 97 001 490 179

Notes to the Financial Statements

For the Year Ended 30 June 2022

24 Auditor's Remuneration

	2022	2021
	\$	\$
Remuneration of the auditor, Thomas Noble & Russell, for:		
- auditing the financial statements	28,820	26,200
- other services	2,750	3,158
Total auditor's remuneration	31,570	29,358

25 Commitments and Contingencies

In the opinion of the Directors, the Company did not have any material commitments for expenditure or contingencies at 30 June 2022 (30 June 2021: None).

26 Events Occurring After the Reporting Date

The financial report was authorised for issue on 25 August 2022 by the Board of Directors.

The impact of the COVID-19 pandemic is ongoing (restrictions on trading) and it is not practical to estimate the potential impact after the reporting date. The situation is rapidly evolving and is dependent on measures imposed by the Australian and NSW State Governments.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

27 Company Details

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

Byron Bay Services Club Limited
132 Johnson St
Byron Bay NSW 2481

Byron Bay Services Club Limited

ABN: 97 001 490 179

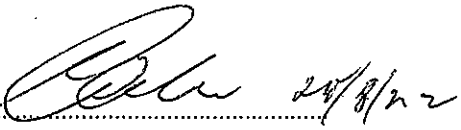
Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 26, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosure Standard; and
 - b. give a true and fair view of the financial position as at 30 June 2022 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.

Director  25/8/22
Kevin Edward Tibbett, President

Director  24/8/22
Anthony Russell McCabe, Treasurer

Dated this 25th day of August 2022



Independent Auditor's Report to the Members of Byron Bay Services Club Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Byron Bay Services Club Limited ("the Company") which comprises the statement of financial position as at 30 June 2022, 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:

- a) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards – Simplified Disclosures 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 (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's directors' report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures 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 ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



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

**THOMAS NOBLE & RUSSELL
CHARTERED ACCOUNTANTS**

Per:

A handwritten signature in black ink, appearing to read 'A J Bradfield', written over a dotted line.

A J BRADFIELD (Partner)
Registered Company Auditor

Dated at Byron Bay this 25th day of August 2022