

**PANANIA-EAST HILLS RSL CLUB LIMITED**

*trading as*

**PANANIA DIGGERS**

**CONCISE REPORT  
31 DECEMBER 2022**

The financial statements and other specific disclosures have been derived from Panania-East Hills RSL Club Limited's full financial report for the financial year. Other information included in the concise financial report is consistent with the Company's full financial report.

The concise financial report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financial report.

A copy of the Company's 2022 Annual Financial Report, including the independent audit report, is available to all members and will be sent to members without charge upon request.

**PANANIA-EAST HILLS RSL CLUB LIMITED**  
**DIRECTORS' REPORT FOR YEAR ENDED 31 DECEMBER 2022**

The Directors present their report together with the financial statements of Panania-East Hills RSL Club Limited, trading as Panania Diggers for the year ended 31 December 2022 and the auditor's report thereon.

**INFORMATION ON DIRECTORS:**

The names and qualifications of Directors at any time during or since the end of the financial year are:

Colin Wallace  
President  
Age: 66

Elected to the Board in 2014.  
Appointed President 2020, previously Junior Vice President September 2017.  
Member of Panania East Hills RSL Club since 1977.  
Former Senior Auditor with Australian Taxation Office.  
Delegate to Western Metropolitan Region of Clubs NSW.  
Accountant - Commerce Certificate (Accounting Procedures).  
Delegate to Canterbury-Bankstown LGA Licensing Accord.  
Delegate to Canterbury-Bankstown LGA ClubGrants Committee.  
Former player, coach and treasurer of Panania East Hills RSL Cricket Club.  
Former Coach, Manager and President of St Christopher's Cricket Club.  
Former Manager St Christopher's Rugby League Club.  
Former Representative Coach of BDCA.  
Member of Club Directors Institute.  
Board Representative to Bankstown City Aged Care Trust.  
Sporting Liaison Director for St Christopher's Rugby League Club, St Christopher's Junior Rugby League Club and St Christopher's Cricket Club.

Samantha Williams  
Senior Vice President  
Age: 53

Elected to the Board in 2012.  
Senior Vice President of Panania East Hills RSL Club (2017).  
Member of Panania East Hills RSL Club since 2002.  
Flight Crew Analyst, Workforce Planning-QANTAS Airways Ltd.  
Secretary of Panania RSL Youth Club.  
Delegate to Western Metropolitan Region of Clubs NSW.  
Member of Club Directors Institute.  
Sporting Liaison Director for St Christopher's Netball Club.  
Board Representative to Bankstown City Aged Care Trust.  
Justice of the Peace.

Michael Beckers  
Junior Vice President  
Age: 59

Appointed to the Board in 2014.  
Appointed Junior Vice President 2020.  
Member of Panania East Hills RSL Club since 1982.  
Delegate to Western Metropolitan Region of Clubs NSW.  
Marketing Certificate attained in 1986.  
General Manager Steel Industry since 1997.  
General Manager Construction Industry since 2000.  
Player Panania RSL Soccer Club from 1980-2001.  
Player Panania RSL Cricket Club 2010.  
Manager Panania RSL Soccer Club 2003-2006.  
Member of Club Directors Institute.  
Sporting Liaison Director for Panania RSL Soccer Club.

**PANANIA-EAST HILLS RSL CLUB LIMITED**  
**DIRECTORS' REPORT FOR YEAR ENDED 31 DECEMBER 2022**

Robert McAndrew  
Director  
Age: 76

Appointed to the Board in October 2017.  
Member of Panania East Hills RSL Club since 1969.  
Delegate to Western Metropolitan Region of Clubs NSW.  
Former Engineering Office with Pacific Power.  
Electrical Trades Certificate.  
Electrical Engineering Certificate.  
Original Player-Panania East Hills RSL Cricket Club.  
Life Member Panania East Hills RSL Cricket Club.  
Life Member East Hills Rugby League Football Club.  
Former Secretary East Hills Rugby League Football Club.  
Sporting Liaison Director for Panania RSL Cricket Club.  
Member of Club Directors Institute.  
Delegate to Canterbury-Bankstown LGA Licensing Accord.  
Delegate to Canterbury-Bankstown LGA Club Grants Committee.

Leo Weston  
Director  
Age: 58

Appointed to the Board in April 2019.  
Member of Panania East Hills RSL Club since 1997.  
Member of Panania RSL Sub Branch since 1997.  
President Panania RSL Sub Branch since 2017.  
Served in the Royal Australian Navy.  
Electrical Trades Certificate.  
Associate Diploma in Electrical Maintenance.  
Sporting Liaison Director for the Tennis Association.  
Member of Club Directors Institute.  
Currently working as an IT Manager in Federal Government.

Robert Bell  
Director  
Age: 62

Elected to the Board 2020.  
Director, PKF Chartered Accountants.  
Bachelor of Business (with credit)- UTS.  
Fellow of Chartered Accountants Australia and New Zealand (CAANZ).  
Registered Tax Agent.  
Registered Auditor.  
President, Panania RSL Youth Soccer Club- 2009 to present.  
Auditor, Kokoda Track Memorial Walkway.

Helen Finn  
Age: 67  
(Appointed: 2021)

Appointed to the Board November 2021.  
Member of Panania East Hills RSL Club since 1973.  
Retired  
BSc (Microbiology and Genetics majors) 1977  
Occupational Hygienist, WorkCover 1979-2014

**PANANIA-EAST HILLS RSL CLUB LIMITED**  
**DIRECTORS' REPORT FOR YEAR ENDED 31 DECEMBER 2022**

**ATTENDANCE AT CLUB BOARD MEETINGS**

The number of meeting of directors held during the year and the number of meetings attended by each Director were as follows:

| <b>Number of meetings held: 13</b> | <b>Number Attended</b> | <b>Number Held*</b> |
|------------------------------------|------------------------|---------------------|
| C. Wallace                         | 13                     | 13                  |
| S. Williams                        | 9                      | 13                  |
| M. Beckers                         | 12                     | 13                  |
| R. McAndrew                        | 13                     | 13                  |
| L. Weston                          | 12                     | 13                  |
| R. Bell                            | 12                     | 13                  |
| H. Finn                            | 12                     | 13                  |

*\* Number of meetings held during the time the Director held office during the year.*

**Leave of Absence granted to the following Directors:**

Samantha Williams: February Special Meeting, February Meeting, March Meeting, June Meeting.  
Michael Beckers: March Meeting.  
Helen Finn: May Meeting.  
Leo Weston: September Meeting.  
Robert Bell: September Meeting.

**CLUB SECRETARY**

The following person held the position of Club Secretary at the end of the Financial Year.

**Ian Lowndes** has been employed with Panania East Hills RSL Club (Panania Diggers) for the past 29 years formerly holding the position of Operations Manager.

Ian was appointed in the capacity as Club Secretary and Chief Executive Officer in 2019.

Ian is a member of the CDI (Club Directors Institute)

**PRINCIPAL ACTIVITIES**

The principal activities of the Company during the course of the Financial Year consisted of the conduct and promotion of a licensed social club for members of the Company.

**MEMBERSHIP**

The Club is a company limited by guarantee and without a share capital. The number of members at 31 December 2022 and a comparison with last year is as follows:

|                                 | <b><u>2022</u></b>   | <b><u>2021</u></b>  |
|---------------------------------|----------------------|---------------------|
| Life Members                    | 6*                   | 6                   |
| Returned Service League Members | 63                   | 73                  |
| Associate Members               | 12,895               | 8,171               |
| Women's Auxiliary               | 1                    | 1                   |
| <b>TOTALS</b>                   | <b><u>12,965</u></b> | <b><u>8,251</u></b> |

**PANANIA-EAST HILLS RSL CLUB LIMITED**  
**DIRECTORS' REPORT FOR YEAR ENDED 31 DECEMBER 2022**

**REVIEW AND RESULTS OF OPERATIONS**

The net profit for the year amounted to \$416,049 compared with a profit of \$7,876 for the prior year. This resulted after charging \$646,930 (2021 \$591,290) for depreciation and amortisation and after charging \$nil (2021 \$nil) for income tax.

**DIVIDENDS**

The company is a non profit organisation and is prevented by its constitution from paying dividends.

**STATE OF AFFAIRS**

During the year trading was slightly impacted by trading restrictions due to Covid-19. The impact of this was partially alleviated by Government assistance measures. Apart from this, in the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

**ENVIRONMENTAL REGULATION**

The Company's operations are subject to various environmental regulations under either Commonwealth or State legislation.

The Board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company.

**EVENTS SUBSEQUENT TO BALANCE DATE**

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the directors of the Club to affect significantly the operation of the Club, the results of those operations, or the state of affairs of the Club, in future financial years.

**LIKELY DEVELOPMENTS**

The Licensed Club Industry continues to be affected by ongoing political debate over significant amendments to its core areas of income, gaming and liquor.

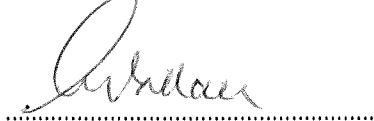
The Board of Management will continue to monitor all areas of Club operation, investigate new revenue streams and maintain strong control over costs.

**INDEMNIFICATION & INSURANCE OF OFFICERS**

The Company has provided for and paid premiums during the year for current Management Liability Insurance. The insurance is in respect of legal liability for damages and legal costs to a maximum of \$5,000,000 arising from claims made by reason of any omissions or acts (other than dishonesty) by them, whilst acting in their individual or collective capacity as Directors or Officers of the Company.

Signed in accordance with a resolution of the Directors.

Dated at Panania this 14th day of February 2023.



COLIN WALLACE, President

**Panania-East Hills R.S.L. Club Limited**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Financial Year Ended 31 December 2022**

|   | Notes | 2022<br>\$         | 2021<br>\$         |
|---|-------|--------------------|--------------------|
| <b>Revenue</b>                                    |       |                    |                    |
| Revenue from contracts with customers             |       | 7,781,938          | 5,683,004          |
| Other income                                      |       | 159,237            | 317,572            |
| <b>Total revenue</b>                              |       | <b>7,941,175</b>   | <b>6,000,576</b>   |
| <b>Expenses</b>                                   |       |                    |                    |
| Cost of goods sold                                |       | (753,553)          | (635,222)          |
| Club entertainment, marketing and promotion       |       | (1,004,571)        | (625,474)          |
| Depreciation and amortisation                     |       | (646,930)          | (591,290)          |
| Employee benefits                                 |       | (2,470,198)        | (1,937,275)        |
| Finance costs                                     |       | (70,032)           | (65,088)           |
| Grants paid                                       |       | (40,698)           | (25,927)           |
| Lease payments for short-term/low-value leases    |       | (49,714)           | (52,935)           |
| Net loss on sale of property, plant and equipment |       | -                  | (135,968)          |
| Poker machine licences and taxes                  |       | (925,610)          | (673,243)          |
| Property expenses                                 |       | (925,603)          | (780,110)          |
| Other expenses                                    |       | (638,217)          | (470,168)          |
| <b>Total expenses</b>                             |       | <b>(7,525,126)</b> | <b>(5,992,700)</b> |
| <b>Net profit before income tax</b>               |       | <b>416,049</b>     | <b>7,876</b>       |
| Income tax expense                                |       | -                  | -                  |
| <b>Net profit for the year</b>                    |       | <b>416,049</b>     | <b>7,876</b>       |
| Other comprehensive income                        |       | -                  | -                  |
| <b>Total comprehensive income</b>                 |       | <b>416,049</b>     | <b>7,876</b>       |

The accompanying notes form part of these financial statements.

**Panania-East Hills R.S.L. Club Limited**  
**Statement of Financial Position**  
**As at 31 December 2022**

|                                | Notes | 2022<br>\$       | 2021<br>\$       |
|--------------------------------|-------|------------------|------------------|
| <b>Assets</b>                  |       |                  |                  |
| <b>Current</b>                 |       |                  |                  |
| Cash and cash equivalents      |       | 745,863          | 888,520          |
| Trade and other receivables    |       | 216,690          | 166,567          |
| Inventories                    |       | 52,999           | 54,308           |
| Other current assets           |       | 30,130           | 37,090           |
| <b>Current assets</b>          |       | <b>1,045,682</b> | <b>1,146,485</b> |
| <b>Non-current</b>             |       |                  |                  |
| Property, plant and equipment  |       | 7,680,680        | 7,530,952        |
| <b>Non-current assets</b>      |       | <b>7,680,680</b> | <b>7,530,952</b> |
| <b>Total assets</b>            |       | <b>8,726,362</b> | <b>8,677,437</b> |
| <b>Liabilities</b>             |       |                  |                  |
| <b>Current</b>                 |       |                  |                  |
| Trade and other payables       |       | 411,097          | 481,655          |
| Provisions                     |       | 421,809          | 445,005          |
| Borrowings                     |       | 1,198,058        | 1,548,920        |
| Other liabilities              |       | 67,854           | 59,275           |
| <b>Current liabilities</b>     |       | <b>2,098,818</b> | <b>2,534,855</b> |
| <b>Non-current</b>             |       |                  |                  |
| Provisions                     |       | 7,260            | 15,680           |
| Borrowings                     |       | 298,202          | 220,869          |
| <b>Non-current liabilities</b> |       | <b>305,462</b>   | <b>236,549</b>   |
| <b>Total liabilities</b>       |       | <b>2,404,280</b> | <b>2,771,404</b> |
| <b>Net assets</b>              |       | <b>6,322,082</b> | <b>5,906,033</b> |
| <b>Equity</b>                  |       |                  |                  |
| Retained earnings              |       | 6,322,082        | 5,906,033        |
| <b>Total equity</b>            |       | <b>6,322,082</b> | <b>5,906,033</b> |

The accompanying notes form part of these financial statements.

**Panania-East Hills R.S.L. Club Limited**  
**Statement of Changes in Equity**  
**For the Financial Year Ended 31 December 2022**

|                             | Notes | Retained<br>Earnings | Total<br>Equity |
|-----------------------------|-------|----------------------|-----------------|
|                             |       | \$                   | \$              |
| Balance at 1 January 2021   |       | 5,898,157            | 5,898,157       |
| Profit for the year         |       | 7,876                | 7,876           |
| Other comprehensive income  |       | -                    | -               |
| Total comprehensive income  |       | 7,876                | 7,876           |
| Balance at 31 December 2021 |       | 5,906,033            | 5,906,033       |
| Balance at 1 January 2022   |       | 5,906,033            | 5,906,033       |
| Profit for the year         |       | 416,049              | 416,049         |
| Other comprehensive income  |       | -                    | -               |
| Total comprehensive income  |       | 416,049              | 416,049         |
| Balance at 31 December 2022 |       | 6,322,082            | 6,322,082       |

The accompanying notes form part of these financial statements.



**Panania-East Hills R.S.L. Club Limited**  
**Statement of Cash Flows**  
**For the Financial Year Ended 31 December 2022**

|   | Notes | 2022<br>\$       | 2021<br>\$       |
|---|-------|------------------|------------------|
| <b>Cash flows from operating activities</b>               |       |                  |                  |
| Receipts from customers                                   |       | 8,690,038        | 6,384,895        |
| Receipts from government stimulus                         |       | -                | 192,372          |
| Payments to suppliers and employees                       |       | (7,737,069)      | (5,744,154)      |
| Interest received   |       | 1,762            | 682              |
| Income tax paid   |       | -                | (13,709)         |
| <b>Net provided by in operating activities</b>            |       | <b>954,731</b>   | <b>820,086</b>   |
| <b>Cash flows from investing activities</b>               |       |                  |                  |
| Payments for property, plant and equipment                |       | (524,102)        | (353,804)        |
| Proceeds from sale of property, plant and equipment       |       | 26,500           | 64,909           |
| <b>Net cash used in investing activities</b>              |       | <b>(497,602)</b> | <b>(288,895)</b> |
| <b>Cash flows from financing activities</b>               |       |                  |                  |
| Net repayments of borrowings                              |       | (529,754)        | (537,911)        |
| Interest paid   |       | (70,032)         | (65,088)         |
| <b>Net cash used in financing activities</b>              |       | <b>(599,786)</b> | <b>(602,999)</b> |
| Net change in cash and cash equivalents                   |       | (142,657)        | (71,808)         |
| Cash and cash equivalents at beginning of financial year  |       | 888,520          | 960,328          |
| <b>Cash and cash equivalents at end of financial year</b> |       | <b>745,863</b>   | <b>888,520</b>   |

The accompanying notes form part of these financial statements.

**PANANIA-EAST HILLS RSL CLUB  
CONCISE FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022  
DISCUSSION AND ANALYSIS**

**Income Statement**

Trading for the 2022 year was unaffected by trading restrictions due to Covid-19 whilst 2021 was significantly affected. Trading resulted in the Club achieving a profit of \$416,049 (2021 profit of \$7,876). This resulted after charging \$646,930 (2021 \$591,290) for depreciation and amortisation and after charging \$nil (2021 \$nil) for tax. A more detailed analysis is shown below.

An analysis of the Club's 2022 results by department reveals the following:

- Bar Trading - profitable year with sales \$512,600 above last year with Covid-19 trading restrictions affecting the 2021 year. The gross profit margin increased to 65% of sales. There was a significant increase in the cost of bar labour. These factors were the main contributors to an increase in the Bar Trading Profit of over \$300,000.
- Café Trading – a breakeven year of trading with sales increasing by \$90,495. Wage costs were higher than last year. The Cafe Trading Profit for the year increased by over \$10,000 compared to 2021 to give a modest overall profit.
- Poker Machine Trading - a year of increased revenue with net clearances being 36% above last year due to no Covid-19 restrictions in 2022. Direct expenses increased primarily due to increased wages & poker machine tax. This resulted in Poker Machine Trading Profit increasing by over \$600,000.
- Promotions Expenditure - a net increase of over \$70,000 compared to last year's result due to no Covid-19 trading restrictions in 2022.
- Functions - Income achieved for the year increased by \$13,344 with the loss after direct expenses being over \$50,000.
- Other Income - decreased by over \$150,000 due to no Covid Assistance Grants in 2022. There was a Covid Assistance Grant in 2021 of \$192,372.
- Other Expenses - expenditure was similar to last year with increases in most categories due to a full year of trading without any Covid-19 restrictions being offset by no loss on disposal of assets. There was a loss on disposal of assets of \$196,468 in 2021.

**PANANIA-EAST HILLS RSL CLUB  
CONCISE FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022  
DISCUSSION AND ANALYSIS (continued)**

**Statement of Financial Position**

The Company's net assets increased by \$416,049 commensurate with the 2022 profit after income tax.

Significant movements during the year include the decrease in borrowings of \$273,529. Plant and equipment increased by \$149,728 due to additions of \$796,658 less depreciation of \$646,930.

**Statement of Cash Flows**

Operating activities provided net cash of \$954,731, an increase of \$134,645 on the 2021 year.

The end result of the year's activities was a net positive cash position of \$745,863, a decrease of \$142,657 on last year's positive cash position of \$888,520.

**PANANIA-EAST HILLS RSL CLUB LIMITED**

**Notes to the Financial Statements  
Concise Financial Report  
For the Year Ended 31 December 2022**

**1. Basis of preparation**

The concise financial report has been prepared in accordance with the *Corporations Act 2001* and Accounting Standard AASB 1039 Concise Financial Reports. The financial statements and specific disclosures required by AASB 1039 have been derived from the Company's full financial report. Other information included in the concise financial report is consistent with the Company's full financial report. The concise financial report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

It has been prepared on an accruals basis and is based on historical costs and except where stated, does not take into account changing money values or fair values of assets.

**2. Retained profits**

|   | <b>2022</b>      | <b>2021</b>      |
|---|------------------|------------------|
|   | <b>\$</b>        | <b>\$</b>        |
| Retained profits at beginning of year   | 5,906,033        | 5,898,157        |
| Net profit/(loss)                       | 416,049          | 7,876            |
| Retained profits at the end of the year | <u>6,322,082</u> | <u>5,906,033</u> |

**3. Going concern**

As at 31 December 2022, the entity had a net current asset deficiency position of \$1,053,136. This is largely driven by the required current liability classification of the at call commercial bill. Based on expected future cash flows and available financing options, the directors are of the view that the entity will be able to satisfy its liabilities as and when they fall due and will continue as a going concern.

**4. Events subsequent to balance date**

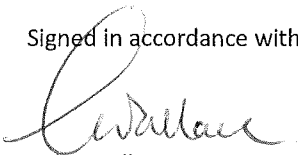
There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in further financial years.

**Panania-East Hills R.S.L. Club Limited**  
**Directors' Declaration**  
**For the Financial Year Ended 31 December 2022**

The directors of the company declare that in the directors' opinion, the accompanying concise financial report for the year ended 31 December 2022:

- a) has been derived from or is consistent with the full financial report for the year then ended;  
and
- b) complies with AASB 1039 Concise Financial Reports

Signed in accordance with a resolution of the directors:



Colin Wallace  
President  
14 February 2023  
Panania, NSW



SDJ Audit Pty Ltd t/a SDJA  
ABN: 11 624 245 334  
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West Pennant Hills NSW 2125  
M: 0428 074 081  
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**Panania-East Hills R.S.L. Club Limited**  
**Report of the Independent Auditor on the Concise Financial Report**  
**For the Financial Year Ended 31 December 2022**

**Opinion**

The concise financial report comprises the statement of financial position as at 31 December 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 related notes derived from the audited financial report of Panania-East Hills R.S.L. Club Limited for the year ended 31 December 2022, the discussion and analysis, and the directors' declaration.

In our opinion, the accompanying concise financial report, including the discussion and analysis of Panania-East Hills R.S.L. Club Limited, are consistent, in all material respects, with (or a fair summary of) the audited financial report, in accordance with AASB 1039 Concise Financial Reports.

**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 section of our report. We are independent of the entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the concise 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.

**Concise Financial Report**

The concise financial report does not contain all the disclosures required by the *Corporations Act 2001* and the Australian Accounting Standards – Reduced Disclosure Requirements. Reading the concise financial report and the auditor's report thereon, therefore, is not a substitute for reading the audited financial report and the auditor's report thereon. The concise financial report and the audited financial report do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial report.

**The Audited Financial Report and Our Report Thereon**

We expressed an unmodified audit opinion on the audited financial report in our report dated \_\_ February 2023. That report also includes a Material Uncertainty Related to Going Concern section that draws attention to Note 3 in the audited financial report. Note 3 of the audited financial report indicates that as of 31 December 2022, Panania-East Hills R.S.L. Club Limited's current liabilities exceeded its current assets by \$1,053,136. These events or conditions, along with other matters as set forth in Note 3 of the audited financial report, indicate that a material uncertainty exists that may cast significant doubt on Panania-East Hills R.S.L. Club Limited's ability to continue as a going concern. These matters are addressed in Note 3 of the concise financial report.

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

The directors of the company are responsible for the other information. The other information is the directors' report accompanying the concise financial report.

**Panania-East Hills R.S.L. Club Limited**  
**Report of the Independent Auditor on the Concise Financial Report**  
**For the Financial Year Ended 31 December 2022**

Our opinion on the concise 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 concise financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the concise 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 Concise Financial Report**

The directors are responsible for the preparation of the concise financial report in accordance with AASB 1039 Concise Financial Reports, and for such internal control as the directors determine is necessary to enable the preparation of the concise financial report.

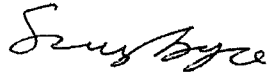
**Auditor's Responsibilities for the Audit of the Concise Financial Report**

Our responsibility is to express an opinion on whether the concise financial report is consistent, in all material respects, with (or are a fair summary of) the audited financial report based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 Engagements to Report on Summary Financial Statements.

Yours faithfully,



SDJA



**Simon Joyce**

Director

14 February 2023

Sydney, New South Wales

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# Panania-East Hills R.S.L. Club Limited

ABN 41 001 043 116

Financial Statements  
For the Year Ended 31 December 2022

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**Panania-East Hills R.S.L. Club Limited**  
**Directors' Report**  
**For the Financial Year Ended 31 December 2022**

The Directors present their report together with the financial statements of Panania-East Hills RSL Club Limited, trading as Panania Diggers for the year ended 31 December 2022 and the auditor's report thereon.

**INFORMATION ON DIRECTORS:**

The names and qualifications of Directors at any time during or since the end of the financial year are:

|   |  |
|---|--|
| Colin Wallace<br>President<br>Age: 66                 | <p>Elected to the Board in 2014.<br/> Appointed President 2020, previously Junior Vice President September 2017.<br/> Member of Panania East Hills RSL Club since 1977.<br/> Former Senior Auditor with Australian Taxation Office.<br/> Delegate to Western Metropolitan Region of Clubs NSW.<br/> Accountant - Commerce Certificate (Accounting Procedures).<br/> Delegate to Canterbury-Bankstown LGA Licensing Accord.<br/> Delegate to Canterbury-Bankstown LGA Club Grants Committee.<br/> Former player, coach and treasurer of Panania East Hills RSL Cricket Club.<br/> Former Coach, Manager and President of St Christopher's Cricket Club.<br/> Former Manager St Christopher's Rugby League Club.<br/> Former Representative Coach of BDCA.<br/> Member of Club Directors Institute.<br/> Board Representative to Bankstown City Aged Care Trust.<br/> Sporting Liaison Director for St Christopher's Rugby League Club, St Christopher's Junior Rugby League Club and St Christopher's Cricket Club.</p> |
| Samantha Williams<br>Senior Vice President<br>Age: 53 | <p>Elected to the Board in 2012.<br/> Senior Vice President of Panania East Hills RSL Club (2017).<br/> Member of Panania East Hills RSL Club since 2002.<br/> Flight Crew Analyst, Workforce Planning-QANTAS Airways Ltd.<br/> Secretary of Panania RSL Youth Club.<br/> Delegate to Western Metropolitan Region of Clubs NSW.<br/> Member of Club Directors Institute.<br/> Sporting Liaison Director for St Christopher's Netball Club.<br/> Board Representative to Bankstown City Aged Care Trust.<br/> Justice of the Peace.</p>   |
| Michael Beckers<br>Junior Vice President<br>Age: 59   | <p>Appointed to the Board in 2014.<br/> Appointed Junior Vice President 2020.<br/> Member of Panania East Hills RSL Club since 1982.<br/> Delegate to Western Metropolitan Region of Clubs NSW.<br/> Marketing Certificate attained in 1986.<br/> General Manager Steel Industry since 1997.<br/> General Manager Construction Industry since 2000.<br/> Player Panania RSL Soccer Club from 1980-2001.<br/> Player Panania RSL Cricket Club 2010.<br/> Manager Panania RSL Soccer Club 2003-2006.<br/> Member of Club Directors Institute.<br/> Sporting Liaison Director for Panania RSL Soccer Club.</p>  |

**Panania-East Hills R.S.L. Club Limited**  
**Directors' Report**  
**For the Financial Year Ended 31 December 2022**

|  |   |
|--|---|
| Robert McAndrew<br>Director<br>Age: 76     | Appointed to the Board in October 2017.<br>Member of Panania East Hills RSL Club since 1969.<br>Delegate to Western Metropolitan Region of Clubs NSW.<br>Former Engineering Office with Pacific Power.<br>Electrical Trades Certificate.<br>Electrical Engineering Certificate.<br>Original Player-Panania East Hills RSL Cricket Club.<br>Life Member Panania East Hills RSL Cricket Club.<br>Life Member East Hills Rugby League Football Club.<br>Former Secretary East Hills Rugby League Football Club.<br>Sporting Liaison Director for Panania RSL Cricket Club.<br>Member of Club Directors Institute.<br>Delegate to Canterbury-Bankstown LGA Licensing Accord.<br>Delegate to Canterbury-Bankstown LGA Club Grants Committee. |
| Leo Weston<br>Director<br>Age: 58          | Appointed to the Board in April 2019.<br>Member of Panania East Hills RSL Club since 1997.<br>Member of Panania RSL Sub Branch since 1997.<br>President Panania RSL Sub Branch since 2017.<br>Served in the Royal Australian Navy.<br>Electrical Trades Certificate.<br>Associate Diploma in Electrical Maintenance.<br>Sporting Liaison Director for the Tennis Association.<br>Member of Club Directors Institute.<br>Currently working as an IT Manager in Federal Government.   |
| Robert Bell<br>Director<br>Age: 62         | Elected to the Board 2020.<br>Director, PKF Chartered Accountants.<br>Bachelor of Business (with credit)- UTS.<br>Fellow of Chartered Accountants Australia and New Zealand (CAANZ).<br>Registered Tax Agent.<br>Registered Auditor.<br>President, Panania RSL Youth Soccer Club- 2009 to present.<br>Auditor, Kokoda Track Memorial Walkway.   |
| Helen Finn<br>Age: 67<br>(Appointed: 2021) | Appointed to the Board November 2021.<br>Member of Panania East Hills RSL Club since 1973.<br>Retired<br>BSc (Microbiology and Genetics majors) 1977<br>Occupational Hygienist, WorkCover 1979-2014   |

**Panania-East Hills R.S.L. Club Limited**  
**Directors' Report**  
**For the Financial Year Ended 31 December 2022**

**ATTENDANCE AT CLUB BOARD MEETINGS**

The number of meeting of directors held during the year and the number of meetings attended by each Director were as follows:

| <b>Number of meetings held: 13</b> | <b>Number Attended</b> | <b>Number Held*</b> |
|------------------------------------|------------------------|---------------------|
| C. Wallace                         | 13                     | 13                  |
| S. Williams                        | 9                      | 13                  |
| M. Beckers                         | 12                     | 13                  |
| R. McAndrew                        | 13                     | 13                  |
| L. Weston                          | 12                     | 13                  |
| R. Bell                            | 12                     | 13                  |
| H. Finn                            | 12                     | 13                  |

*\* Number of meetings held during the time the Director held office during the year.*

**Leave of Absence granted to the following Directors:**

Samantha Williams: February Special Meeting, February Meeting, March Meeting, June Meeting.  
Michael Beckers: March Meeting.  
Helen Finn: May Meeting.  
Leo Weston: September Meeting.  
Robert Bell: September Meeting.

**CLUB SECRETARY**

The following person held the position of Club Secretary at the end of the Financial Year.

**Ian Lowndes** has been employed with Panania East Hills RSL Club (Panania Diggers) for the past 29 years formerly holding the position of Operations Manager.

Ian was appointed in the capacity as Club Secretary and Chief Executive Officer in 2019.

Ian is a member of the CDI (Club Directors Institute)

**PRINCIPAL ACTIVITIES**

The principal activities of the Company during the course of the Financial Year consisted of the conduct and promotion of a licensed social club for members of the Company.

**MEMBERSHIP**

The Club is a company limited by guarantee and without a share capital. The number of members at 31 December 2022 and a comparison with last year is as follows:

|                                 | <b><u>2022</u></b>   | <b><u>2021</u></b>  |
|---------------------------------|----------------------|---------------------|
| Life Members                    | 6*                   | 6                   |
| Returned Service League Members | 63                   | 73                  |
| Associate Members               | 12,895               | 8,171               |
| Women's Auxiliary               | 1                    | 1                   |
| <b>TOTALS</b>                   | <b><u>12,965</u></b> | <b><u>8,251</u></b> |

**Panania-East Hills R.S.L. Club Limited**  
**Directors' Report**  
**For the Financial Year Ended 31 December 2022**

**REVIEW AND RESULTS OF OPERATIONS**

The net profit for the year amounted to \$416,049 compared with a profit of \$7,876 for the prior year. This resulted after charging \$646,930 (2021 \$591,290) for depreciation and amortisation and after charging \$nil (2021 \$nil) for income tax.

**DIVIDENDS**

The company is a non profit organisation and is prevented by its constitution from paying dividends.

**STATE OF AFFAIRS**

During the year trading was slightly impacted by trading restrictions due to Covid-19. The impact of this was partially alleviated by Government assistance measures. Apart from this, in the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

**ENVIRONMENTAL REGULATION**

The Company's operations are subject to various environmental regulations under either Commonwealth or State legislation.

The Board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company.

**EVENTS SUBSEQUENT TO BALANCE DATE**

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the directors of the Club to affect significantly the operation of the Club, the results of those operations, or the state of affairs of the Club, in future financial years.

**LIKELY DEVELOPMENTS**

The Licensed Club Industry continues to be affected by ongoing political debate over significant amendments to its core areas of income, gaming and liquor.

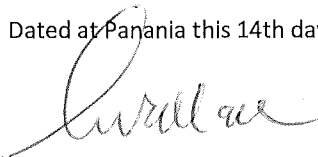
The Board of Management will continue to monitor all areas of Club operation, investigate new revenue streams and maintain strong control over costs.

**INDEMNIFICATION & INSURANCE OF OFFICERS**

The Company has provided for and paid premiums during the year for current Management Liability Insurance. The insurance is in respect of legal liability for damages and legal costs to a maximum of \$5,000,000 arising from claims made by reason of any omissions or acts (other than dishonesty) by them, whilst acting in their individual or collective capacity as Directors or Officers of the Company.

Signed in accordance with a resolution of the Directors.

Dated at Panania this 14th day of February 2023.



.....

COLIN WALLACE, President



SDJ Audit Pty Ltd t/a SDJA  
ABN: 11 624 245 334  
P: PO Box 324  
West Pennant Hills NSW 2125  
M: 0428 074 081  
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W: [www.sdja.com.au](http://www.sdja.com.au)

**Panania-East Hills R.S.L. Club Limited**  
**Auditor's Independence Declaration to the Directors of Panania-East Hills R.S.L. Club Limited**  
**For the Financial Year Ended 31 December 2022**

In accordance with the requirements of the *Corporations Act 2001*, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

SDJA

SDJA

*Simon Joyce*

Simon Joyce

Director

14 February 2023

Sydney, New South Wales

**Panania-East Hills R.S.L. Club Limited**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Financial Year Ended 31 December 2022**

|   | Notes | 2022<br>\$         | 2021<br>\$         |
|---|-------|--------------------|--------------------|
| <b>Revenue</b>                                    |       |                    |                    |
| Revenue from contracts with customers             | 4     | 7,781,938          | 5,683,004          |
| Other income                                      | 5     | 159,237            | 317,572            |
| <b>Total revenue</b>                              |       | <b>7,941,175</b>   | <b>6,000,576</b>   |
| <b>Expenses</b>                                   |       |                    |                    |
| Cost of goods sold                                |       | (753,553)          | (635,222)          |
| Club entertainment, marketing and promotion       |       | (1,004,571)        | (625,474)          |
| Depreciation and amortisation                     |       | (646,930)          | (591,290)          |
| Employee benefits                                 |       | (2,470,198)        | (1,937,275)        |
| Finance costs                                     |       | (70,032)           | (65,088)           |
| Grants paid                                       |       | (40,698)           | (25,927)           |
| Lease payments for short-term/low-value leases    |       | (49,714)           | (52,935)           |
| Net loss on sale of property, plant and equipment |       | -                  | (135,968)          |
| Poker machine licences and taxes                  |       | (925,610)          | (673,243)          |
| Property expenses                                 |       | (925,603)          | (780,110)          |
| Other expenses                                    |       | (638,217)          | (470,168)          |
| <b>Total expenses</b>                             |       | <b>(7,525,126)</b> | <b>(5,992,700)</b> |
| <b>Net profit before income tax</b>               |       | <b>416,049</b>     | <b>7,876</b>       |
| Income tax expense                                |       | -                  | -                  |
| <b>Net profit for the year</b>                    |       | <b>416,049</b>     | <b>7,876</b>       |
| Other comprehensive income                        |       | -                  | -                  |
| <b>Total comprehensive income</b>                 |       | <b>416,049</b>     | <b>7,876</b>       |

The accompanying notes form part of these financial statements.

**Panania-East Hills R.S.L. Club Limited**  
**Statement of Financial Position**  
**As at 31 December 2022**

|                                | Notes | 2022<br>\$       | 2021<br>\$       |
|--------------------------------|-------|------------------|------------------|
| <b>Assets</b>                  |       |                  |                  |
| <b>Current</b>                 |       |                  |                  |
| Cash and cash equivalents      | 6     | 745,863          | 888,520          |
| Trade and other receivables    | 7     | 216,690          | 166,567          |
| Inventories                    | 8     | 52,999           | 54,308           |
| Other current assets           | 9     | 30,130           | 37,090           |
| <b>Current assets</b>          |       | <b>1,045,682</b> | <b>1,146,485</b> |
| <b>Non-current</b>             |       |                  |                  |
| Property, plant and equipment  | 10    | 7,680,680        | 7,530,952        |
| <b>Non-current assets</b>      |       | <b>7,680,680</b> | <b>7,530,952</b> |
| <b>Total assets</b>            |       | <b>8,726,362</b> | <b>8,677,437</b> |
| <b>Liabilities</b>             |       |                  |                  |
| <b>Current</b>                 |       |                  |                  |
| Trade and other payables       | 11    | 411,097          | 481,655          |
| Provisions                     | 12    | 421,809          | 445,005          |
| Borrowings                     | 13    | 1,198,058        | 1,548,920        |
| Other liabilities              | 14    | 67,854           | 59,275           |
| <b>Current liabilities</b>     |       | <b>2,098,818</b> | <b>2,534,855</b> |
| <b>Non-current</b>             |       |                  |                  |
| Provisions                     | 12    | 7,260            | 15,680           |
| Borrowings                     | 13    | 298,202          | 220,869          |
| <b>Non-current liabilities</b> |       | <b>305,462</b>   | <b>236,549</b>   |
| <b>Total liabilities</b>       |       | <b>2,404,280</b> | <b>2,771,404</b> |
| <b>Net assets</b>              |       | <b>6,322,082</b> | <b>5,906,033</b> |
| <b>Equity</b>                  |       |                  |                  |
| Retained earnings              |       | 6,322,082        | 5,906,033        |
| <b>Total equity</b>            |       | <b>6,322,082</b> | <b>5,906,033</b> |

The accompanying notes form part of these financial statements.

**Panania-East Hills R.S.L. Club Limited**  
**Statement of Changes in Equity**  
**For the Financial Year Ended 31 December 2022**

|                             | Notes | Retained<br>Earnings<br>\$ | Total<br>Equity<br>\$ |
|-----------------------------|-------|----------------------------|-----------------------|
| Balance at 1 January 2021   |       | 5,898,157                  | 5,898,157             |
| Profit for the year         |       | 7,876                      | 7,876                 |
| Other comprehensive income  |       | -                          | -                     |
| Total comprehensive income  |       | 7,876                      | 7,876                 |
| Balance at 31 December 2021 |       | 5,906,033                  | 5,906,033             |
| Balance at 1 January 2022   |       | 5,906,033                  | 5,906,033             |
| Profit for the year         |       | 416,049                    | 416,049               |
| Other comprehensive income  |       | -                          | -                     |
| Total comprehensive income  |       | 416,049                    | 416,049               |
| Balance at 31 December 2022 |       | 6,322,082                  | 6,322,082             |

The accompanying notes form part of these financial statements.



**Panania-East Hills R.S.L. Club Limited**  
**Statement of Cash Flows**  
**For the Financial Year Ended 31 December 2022**

|   | Notes | 2022<br>\$       | 2021<br>\$       |
|---|-------|------------------|------------------|
| <b>Cash flows from operating activities</b>               |       |                  |                  |
| Receipts from customers                                   |       | 8,690,038        | 6,384,895        |
| Receipts from government stimulus                         |       | -                | 192,372          |
| Payments to suppliers and employees                       |       | (7,737,069)      | (5,744,154)      |
| Interest received   |       | 1,762            | 682              |
| Income tax paid   |       | -                | (13,709)         |
| <b>Net provided by in operating activities</b>            |       | <b>954,731</b>   | <b>820,086</b>   |
| <b>Cash flows from investing activities</b>               |       |                  |                  |
| Payments for property, plant and equipment                |       | (524,102)        | (353,804)        |
| Proceeds from sale of property, plant and equipment       |       | 26,500           | 64,909           |
| <b>Net cash used in investing activities</b>              |       | <b>(497,602)</b> | <b>(288,895)</b> |
| <b>Cash flows from financing activities</b>               |       |                  |                  |
| Net repayments of borrowings                              |       | (529,754)        | (537,911)        |
| Interest paid   |       | (70,032)         | (65,088)         |
| <b>Net cash used in financing activities</b>              |       | <b>(599,786)</b> | <b>(602,999)</b> |
| Net change in cash and cash equivalents                   |       | (142,657)        | (71,808)         |
| Cash and cash equivalents at beginning of financial year  |       | 888,520          | 960,328          |
| <b>Cash and cash equivalents at end of financial year</b> | 6     | <b>745,863</b>   | <b>888,520</b>   |

The accompanying notes form part of these financial statements.

**Panania-East Hills R.S.L. Club Limited**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 31 December 2022**

**1. General information**

The financial report covers Panania-East Hills R.S.L. Club Limited as an individual entity. Panania-East Hills R.S.L. Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The company's principal activities were that of a licensed club, focused on providing superior service and high-quality facilities for its members and the local community.

The principal place of business is 28 Childs Street, Panania, NSW, 2213.

The financial report was authorised for issue by the directors on 14 February 2023.

**2. Changes in accounting policies**

**New and revised standards that are effective for these financial statements**

A number of new and revised standards became effective for the first time to annual periods beginning on or after 1 July 2021, the key ones of which are summarised below:

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

This Standard sets out a new, separate disclosure Standard to be applied by all entities that are reporting under Tier 2 of the Differential Reporting Framework in AASB 1053. This Standard has been developed based on a new methodology and principles to be used in determining the Tier 2 disclosures that are necessary for meeting user needs, to replace the current Reduced Disclosure Requirements (RDR) framework. The adoption of this accounting standard has not had a material impact on the entity.

**Accounting Standards issued but not yet effective and not been adopted early by the entity**

A number of new and revised standards have been issued but are not yet effective and have not been adopted early by the entity. The directors are currently assessing the impact such standards will have on the entity.

**3. Summary of accounting policies**

**Financial reporting framework**

The general purpose financial statements of the entity have been prepared in accordance with the requirements of the *Corporations Act 2001*.

**Statement of compliance**

The general purpose financial statements of the entity have been prepared in accordance with Australian Accounting Standards – Simplified Disclosure and other authoritative pronouncements of the Australian Accounting Standards Board.

**Basis of preparation**

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes.

The financial statements are presented in Australian Dollars (\$AUD), which is also the functional currency of the company.

**Panania-East Hills R.S.L. Club Limited**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 31 December 2022**

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

**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 entity 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

Other revenue

For any revenue streams that are not defined as contracts with customers, then the revenue is recognised when the entity gains control, economic benefits are probable and the amount of the revenue can be measured reliably.

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

**Operating expenses**

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

**Income taxes**

The income tax expense or benefit for the period, is the tax payable on that period's taxable income based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates that are enacted or substantively enacted.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Mutuality principle

The company calculates its income in accordance with the mutuality principle, which excludes from income, any amounts of subscriptions and contributions from members, and payments received from members, for particular services provided by the club or association, e.g. poker machines, bar and dining room service, in the case of social clubs. The Commissioner of Taxation accepts this method of calculating income as appropriate for recognised clubs and associations.

Amendments to the *Income Tax Assessment Act 1997* ensure social clubs continue not to be taxed on receipts from contributions and payments received from members.

**Panania-East Hills R.S.L. Club Limited**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 31 December 2022**

**Cash and cash equivalents**

Cash and cash equivalents comprise 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.

**Trade and other receivables**

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

**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. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

**Property, plant and equipment**

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

Depreciation

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:

| <b>Fixed asset class</b>             | <b>Depreciation rate</b> |
|--------------------------------------|--------------------------|
| Buildings and improvements           | 2.5 - 10%                |
| Plant and equipment – poker machines | 10 - 25%                 |
| Plant and equipment – other          | 10 - 25%                 |

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.

**Leases**

The entity assesses at contract inception whether a contract is, or contains, a lease.

As a lessee

The entity applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The entity recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The entity recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

**Panania-East Hills R.S.L. Club Limited**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 31 December 2022**

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

|                     | 2022       | 2021       |
|---------------------|------------|------------|
| Plant and equipment | Lease term | Lease term |

The right-of-use assets are also subject to impairment.

**Lease liabilities**

At the commencement date of the lease, the entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

**Short-term leases and leases of low-value assets**

The entity's short-term leases are those that have a lease term of 12 months or less from the commencement. It also applies the lease of low-value assets recognition exemption to leases of low-value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**Impairment of non-financial assets**

At the end of each reporting period the company determines whether there is evidence of an impairment indicator for non-financial assets.

Where an 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.

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 CGU.

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.

**Trade and other payables**

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

**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.

**Panania-East Hills R.S.L. Club Limited**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 31 December 2022**

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.

**Provision for 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.

**Liabilities relating to contracts with customers**

Contract liabilities

A contract liability is recognised if a payment is received, or a payment is due (whichever is earlier) from a customer before the entity transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the entity performs under the contract (i.e., transfers control of the related goods or services to the customer).

The services are usually provided within twelve (12) months of receipt of the payment. Where the amount received is in respect of services to be provided over a period that exceeds twelve (12) months after the reporting date, the liability is discounted and presented as non-current.

**Going concern**

As at 31 December 2022, the entity had a net current asset deficiency position of \$1,053,136. This is largely driven by the required current liability classification of the at call commercial bill. Based on expected future cash flows and available financing options, the directors are of the view that the entity will be able to satisfy its liabilities as and when they fall due and will continue as a going concern.

**Comparative figures**

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. With the exception of minor reclassifications between certain financial statement line items, comparatives are consistent with prior years, unless otherwise stated.

**Significant judgement in applying accounting policies**

When preparing the financial statements, the directors undertake a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

**Panania-East Hills R.S.L. Club Limited**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 31 December 2022**

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment

In assessing impairment, the directors estimate the recoverable amount of each asset or cash-generating units, based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An allowance for expected credit losses is included, where applicable, for any receivable where the entire balance is not considered collectible. The allowance for expected credit losses is based on the best information at the reporting date.

Inventories

The directors estimate the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Useful lives of depreciable assets

The directors review their estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated 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.

**Panania-East Hills R.S.L. Club Limited**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 31 December 2022**

|  | 2022             | 2021             |
|--|------------------|------------------|
|  | \$               | \$               |
| <b>4. Revenue from contracts with customers</b>    |                  |                  |
| <u>Revenue recognised over time</u>                |                  |                  |
| Revenue from rendering of services                 | 5,640,629        | 4,144,510        |
| <u>Revenue recognised at a point in time</u>       |                  |                  |
| Revenue from sale of goods                         | 2,141,309        | 1,538,494        |
| <b>Total revenue from contracts with customers</b> | <b>7,781,938</b> | <b>5,683,004</b> |

**How the entity recognises revenue**

Rendering of services

Revenue relating to gaming income, commissions and member subscriptions is recognised over the period in which the service is provided.

Sale of goods

Sale of goods (bar and cafe sales) are recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer.

**5. Other income**

|   |                |                |
|---|----------------|----------------|
| COVID government assistance grants                | -              | 192,372        |
| Interest income                                   | 1,762          | 682            |
| Rental/hire income                                | 118,322        | 109,791        |
| Net gain on sale of property, plant and equipment | 26,500         | -              |
| Other income                                      | 12,653         | 14,727         |
|   | <b>159,237</b> | <b>317,572</b> |

**6. Income tax expense**

|                       |           |         |
|-----------------------|-----------|---------|
| Net profit before tax | 416,049   | 7,876   |
| Domestic tax rate     | 25.0%     | 26.0%   |
| Expected tax expense  | (104,012) | (2,048) |

Adjustments:

|  |         |          |
|--|---------|----------|
| - Amount of tax relating to the origination of permanent and temporary differences | 111,043 | 13,388   |
| - Amount of benefit not recognised as a deferred tax asset in the current period   | (7,031) | (11,340) |
| Actual tax expense   | -       | -        |



**Panania-East Hills R.S.L. Club Limited**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 31 December 2022**

|   | 2022             | 2021             |
|---|------------------|------------------|
|   | \$               | \$               |
| <b>7. Cash and cash equivalents</b>                 |                  |                  |
| Cash at bank and on hand                            | 745,863          | 888,520          |
|   | <u>745,863</u>   | <u>888,520</u>   |
| <b>8. Trade and other receivables</b>               |                  |                  |
| <b>Current</b>                                      |                  |                  |
| Trade receivables                                   | 22,745           | -                |
| Sundry debtors                                      | 36,695           | 7,167            |
| Security deposits                                   | 155,000          | 155,000          |
| Loans to related parties                            | 2,250            | 4,400            |
|   | <u>216,690</u>   | <u>166,567</u>   |
| <b>9. Inventories</b>                               |                  |                  |
| <b>Current</b>                                      |                  |                  |
| Liquor and other bar stock                          | 52,999           | 54,308           |
|   | <u>52,999</u>    | <u>54,308</u>    |
| <b>10. Other assets</b>                             |                  |                  |
| <b>Current</b>                                      |                  |                  |
| Prepayments   | 30,130           | 37,090           |
|   | <u>30,130</u>    | <u>37,090</u>    |
| <b>11. Property, plant and equipment</b>            |                  |                  |
| Freehold land at cost                               | 2,067,895        | 2,067,895        |
|   | <u>2,067,895</u> | <u>2,067,895</u> |
| Buildings and improvements at cost                  | 5,969,257        | 5,969,257        |
| Buildings and improvements accumulated depreciation | (1,962,486)      | (1,814,376)      |
|   | <u>4,006,771</u> | <u>4,154,881</u> |
| Plant and equipment at cost                         | 3,987,986        | 3,703,005        |
| Plant and equipment accumulated depreciation        | (2,912,735)      | (2,878,836)      |
|   | <u>1,075,251</u> | <u>824,169</u>   |
| Right-of-use assets at cost                         | 1,014,593        | 913,617          |
| Right-of-use assets accumulated depreciation        | (483,830)        | (429,610)        |
|   | <u>530,763</u>   | <u>484,007</u>   |
| <b>Total property, plant and equipment</b>          | <u>7,680,680</u> | <u>7,530,952</u> |

**Panania-East Hills R.S.L. Club Limited**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 31 December 2022**

**11. Property, plant and equipment (continued)**

|                                      | Land      | Buildings & Improvements | Plant & Equipment | Right-of-Use Assets |
|--------------------------------------|-----------|--------------------------|-------------------|---------------------|
|                                      | \$        | \$                       | \$                | \$                  |
| Net carrying amount 1 January 2022   | 2,067,895 | 4,154,881                | 824,169           | 484,007             |
| Additions                            | -         | -                        | 524,102           | 272,556             |
| Disposals                            | -         | -                        | -                 | -                   |
| Depreciation and amortisation        | -         | (148,110)                | (289,133)         | (209,687)           |
| Net carrying amount 31 December 2022 | 2,067,895 | 4,006,771                | 1,059,138         | 546,876             |

|                                      | Total     |
|--------------------------------------|-----------|
|                                      | \$        |
| Net carrying amount 1 January 2022   | 7,530,952 |
| Additions                            | 796,658   |
| Disposals                            | -         |
| Depreciation and amortisation        | (646,930) |
| Net carrying amount 31 December 2022 | 7,680,680 |

|                                     | 2022           | 2021           |
|-------------------------------------|----------------|----------------|
|                                     | \$             | \$             |
| <b>12. Trade and other payables</b> |                |                |
| <b>Current</b>                      |                |                |
| Trade payables                      | 153,936        | 142,690        |
| Other creditors and accruals        | 169,374        | 232,012        |
| Net GST payable                     | 87,787         | 106,953        |
|                                     | <b>411,097</b> | <b>481,655</b> |

|                                 |                |                |
|---------------------------------|----------------|----------------|
| <b>13. Provisions</b>           |                |                |
| <b>Current</b>                  |                |                |
| Provision for employee benefits | 421,018        | 444,214        |
| Provision for income tax        | 791            | 791            |
|                                 | <b>421,809</b> | <b>445,005</b> |

|                                 |              |               |
|---------------------------------|--------------|---------------|
| <b>Non-current</b>              |              |               |
| Provision for employee benefits | 7,260        | 15,680        |
|                                 | <b>7,260</b> | <b>15,680</b> |

**Panania-East Hills R.S.L. Club Limited**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 31 December 2022**

|                            | 2022             | 2021             |
|----------------------------|------------------|------------------|
|                            | \$               | \$               |
| <b>14. Borrowings</b>      |                  |                  |
| <b>Current</b>             |                  |                  |
| Credit card payable        | 1,465            | 977              |
| Commercial bills - secured | 1,018,000        | 1,338,000        |
| Hire purchase liability    | -                | 165,585          |
| Lease liability            | 178,593          | 44,358           |
|                            | <u>1,198,058</u> | <u>1,548,920</u> |
| <b>Non-current</b>         |                  |                  |
| Hire purchase liability    | -                | 44,657           |
| Lease liability            | 298,202          | 176,212          |
|                            | <u>298,202</u>   | <u>220,869</u>   |

Future lease payments in relation to lease liabilities as at period end are as follows:

|   |                |                |
|---|----------------|----------------|
| Within one year                                   | 160,392        | 60,000         |
| Later than one year but not later than five years | 324,320        | 231,000        |
| Later than five years                             | -              | 26,000         |
|   | <u>484,712</u> | <u>317,000</u> |

The entity leases various pieces of gaming equipment, including a digital loyalty system and poker machines. Lease terms vary between 3-5 years with no option of renewal. Payments consist of fixed monthly payments.

In addition to the borrowings disclosed above, the Club also has an unused \$150,000 overdraft facility.

**15. Other liabilities**

**Current**

|   |               |               |
|---|---------------|---------------|
| Contract liabilities - revenue from rendering of services | 67,854        | 59,275        |
|   | <u>67,854</u> | <u>59,275</u> |

**16. Related parties**

The entity's related parties include its key management personnel and related entities as described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

**(a) Key management personnel compensation**

|                                   |         |         |
|-----------------------------------|---------|---------|
| Total key management compensation | 191,307 | 149,915 |
|-----------------------------------|---------|---------|

**Panania-East Hills R.S.L. Club Limited**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 31 December 2022**

|   | 2022          | 2021          |
|---|---------------|---------------|
|   | \$            | \$            |
| <b>16. Related parties (continued)</b>  |               |               |
| <b>(b) Compensation of directors</b>  |               |               |
| Paid to Directors for their role as Directors of the Club, including expenses incurred in the course of attending the Club and/or representing the Club in an official capacity   | 41,674        | 22,580        |
| Apart from the details disclosed above in this note, no director has entered into a material contract with the Club during the year and there were no material contracts involving other directors' interests existing at year-end. |               |               |
| <b>(c) Balances with related parties</b>  |               |               |
| <u>Trade and other receivables</u>  |               |               |
| Loans to related parties  | 2,250         | 4,400         |
| <b>17. Remuneration of auditors</b>   |               |               |
| <u>SDJA</u>   |               |               |
| Audit of financial report   | 16,850        | 15,000        |
| Assistance with preparation of the financial report   | 2,500         | 2,000         |
|   | <u>19,350</u> | <u>17,000</u> |

**18. Commitments**

The entity had no material unrecognised contractual commitments as at 31 December 2022.

**19. Contingent liabilities**

There are no contingent liabilities that have been incurred by the entity as at reporting date.

**20. Subsequent events**

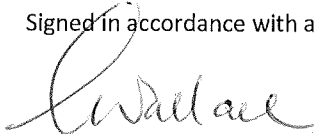
No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

**Panania-East Hills R.S.L. Club Limited**  
**Directors' Declaration**  
**For the Financial Year Ended 31 December 2022**

The directors of the company declare that in the directors' opinion:

- a) the financial statements and notes are in accordance with the *Corporations Act 2001*, including:
  - i) giving a true and fair view of the company's financial position as at 31 December 2022 and of its performance for the year ended on that date; and
  - ii) complying with Australian Accounting Standards – Simplified Disclosure and the *Corporations Regulations 2001*; and
- b) there are reasonable grounds to believe that the company is able to pay all of its debts, as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Colin Wallace  
President  
14 February 2023  
Panania, NSW



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**Panania-East Hills R.S.L. Club Limited**  
**Independent Auditor's Report to the Members of Panania-East Hills R.S.L. Club Limited**  
**For the Financial Year Ended 31 December 2022**

**Opinion**

We have audited the financial report of Panania-East Hills R.S.L. Club Limited (the company), which comprises the statement of financial position as at 31 December 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 financial report of Panania-East Hills R.S.L. Club Limited has been prepared in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosure 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 ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Material Uncertainty Related to Going Concern**

We draw attention to Note 3 in the financial report, which indicates that as at the year ended 31 December 2022, the entity had a net current asset deficiency position of \$1,053,136. These figures, as well as other assumptions, events or conditions set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern, should the assumptions, events or conditions relied upon do not eventuate or materialise. Our opinion is not modified in respect of this matter.

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

The directors of the company are responsible for the other information. The other information is the directors' report accompanying the financial report.

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

**Panania-East Hills R.S.L. Club Limited**  
**Independent Auditor's Report to the Members of Panania-East Hills R.S.L. Club Limited**  
**For the Financial Year Ended 31 December 2022**

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 and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosure and the *Corporations Act 2001*, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors of the company are responsible for assessing the registered company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the company either intend to liquidate the company or to cease operations, or has no realistic alternative but to do so. The directors of the company are responsible for overseeing the company's financial reporting process.

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

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

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

SDJA

SDJA

*Simon Joyce*

**Simon Joyce**

Director

14 February 2023

Sydney, New South Wales