



Riverstone Schofields
MEMORIAL CLUB

**RIVERSTONE SCHOFIELDS
MEMORIAL CLUB**

ANNUAL REPORT 2022

DIRECTORS 2022



GLEN HUNTER
PRESIDENT



MARK STACEY
SNR VICE PRESIDENT



MALCOM REED JNR
JNR VICE PRESIDENT



MARK WHITBY JNR
TREASURER



CORINA BROWN
DIRECTOR



STEPHEN COX
DIRECTOR



GENE RILEY
DIRECTOR



KURT HIPPE
DIRECTOR



GRAHAM KEATING
DIRECTOR



MARK WHITBY SNR
CHIEF EXECUTIVE OFFICER

CONTENTS

BOARD OF DIRECTORS

CONTENTS

ANNUAL GENERAL MEETING NOTICE

ORDINARY RESOLUTIONS

PRESIDENTS REPORT

CEO REPORT

TREASURES REPORT

AUDITED FINANCIAL STATEMENT

VALE

RIVERSTONE-SCHOFIELDS MEMORIAL CLUB LIMITED

ABN 31 000 898 626

Market Street Riverstone 2765

ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of Riverstone-Schofields Memorial Club Limited will be held at 10 am on Sunday 21 May 2023 at the premises of the Club, Market Street, Riverstone, New South Wales.

BUSINESS:

1. To confirm the minutes of the previous Annual General Meeting held on Sunday 15 May 2022.
2. To receive and consider the Board of Directors report for the year ending 31st December 2022.
3. To receive and consider the Statement of Financial Performance, Statement of Cash Flows and accompanying statements and the Auditors report.
4. To consider the Ordinary Resolutions.
5. To consider the Special Resolution
6. General business
7. To declare the returning officers report on the election of the Board of Directors.

That all questions of a financial nature are to be provided to the General Manager no later than 7 days prior to the date of the meeting.

Riverstone-Schofield Memorial Club Limited
Ordinary Resolutions
AGM (2022 Financial Statements)

FIRST ORDINARY RESOLUTION

That pursuant to the Registered Clubs Act 1976, Sec 10 (6) (d) "Requirements to be met by clubs."

- a) That the members approve and agree to expenditure by the club in a sum not exceeding \$20,000 (excluding GST) for the 12-month period or prorata thereof until the next AGM of the club for the following activities of Directors
 - i) Reasonable meal and refreshments to be associated with each Board meeting of the club.
 - ii) The right for Directors to incur reasonable expenses in travelling to and from Board meetings and other committee meetings as approved by the Board from time to time on the production of invoices, receipts, and other proper evidence of such expenditure.
 - iii) The reasonable cost of entertaining and providing refreshments in the club premises for the members of the Board of Directors for entertaining visitors in the club.
 - iv) The provision as required of blazers and associated apparel for the use of Club Directors when representing the club.
- b) The members acknowledge that the benefits in paragraph (a) above are not available to members generally but only for those members who are Directors of the club.
- c) The members acknowledge that the benefits in paragraph (a) above are in addition to the payment of out-of-pocket expenses that are paid to directors for expenses that are reasonably incurred while carrying out his or her duties in relation to the club.
- d) That the out-of-pocket expenses must be authorized by a current resolution of the Board.

Explanatory Note:

It is necessary for the Directors to attend Board meetings out of normal business hours and to be active in performing their duties in the pursuit of the Clubs success within and outside the Club and in the community.

The Registered Clubs Act basic tenant is that no member can receive a benefit over another member. Section 10 (6) of the Act permits both the reasonable and appropriate expenses to be incurred on behalf of Directors as well as reimbursement of out-of-pocket expenses in the performance of their role for the governing body.

The amount has increased from \$10,000 to \$20,000 partly due to the overall increase in costs.

Riverstone-Schofield Memorial Club Limited
Ordinary Resolutions
AGM (2022 Financial Statements)

COSTS.

SECOND ORDINARY RESOLUTION

That pursuant to the Registered Clubs Act 1976 Sec 10 (6) (d) "Requirements to be met by clubs."

- a) That the members approve and agree to expenditure by the club in a sum not exceeding \$20,000 (excluding GST) for the 12-month period or prorate thereof until the next AGM of the club and for the professional development and education of Directors
 - i) The reasonable cost of Directors attending the Clubs NSW AGM and the Services Clubs AGM and any other association of which the club is a member.
 - ii) The reasonable cost of Directors attending industry related functions where
 - iii) The reasonable cost of Directors attending seminars, lectures, trade displays and other similar events as may be determined by the Board from time to time.
- b) The members acknowledge that the benefits in paragraph (a) above are not available to members generally but only for those members who are Directors of the club.

Explanatory Note:

It is both appropriate and necessary for the Directors to be active in performing of their duties in the pursuit of the Club's success to be engaged in the peak industry body, Club NSW training and other industry supplier events. The Directors out of pocket expenses and expenses incurred on their behalf reflect the expenses reasonably and appropriately incurred in the performance of these duties.

Riverstone-Schofield Memorial Club Limited
Ordinary Resolutions
AGM (2022 Financial Statements)

THIRD ORDINARY RESOLUTION

That pursuant to the Registered Clubs Act Section 10 (6) (b) "Requirements to be met by clubs" the members hereby approve the payment of the annual honorariums plus any applicable superannuation guarantee levy for the Clubs Board of Directors for the 12 months to May 2023.

President	\$2,200.00
Senior Vice President	\$2,200.00
Junior Vice President	\$2,200.00
Treasurer	\$2,200.00
Ordinary Directors	\$2,200.00 each

Being a total of \$19,800 for 9 serving directors (plus any applicable superannuation guarantee levy)

Explanatory Note:

The Registered Clubs Act allows for an honorarium to be paid in respect to services as a member of the governing body and is required to be passed at the general meeting by persons eligible to vote at the annual election. The amount of \$19,800.00 represent 12 months for the 9 serving Directors individual amounts.

The amount has increased from last year from \$9,900 to \$18,800 in recognition of the amount of time and effort directors are required to put into their roles as directors of the Club.

Riverstone-Schofield Memorial Club Limited
Ordinary Resolutions
AGM (2022 Financial Statements)

SPECIAL RESOLUTION

[The Special Resolution is to be read in conjunction with the notes to members set out below.]

That the Constitution of Riverstone-Schofields Memorial Club Ltd be amended by:

(a) **deleting** Rules 86 and 87 and **inserting** the following new Rules 86 and 87:

“86.1 Without limiting the provisions of the Corporations Act, a notice may be given by the Club to any member either:

(a) personally; or

(b) by sending it by post to the address of the member;

(c) by sending it by any electronic means;

(d) by notifying the member, either personally, by post, or electronically, that the notice is available and how the member can access the notice.

86.2 Where a notice is sent to a member in accordance with Rule 86.1(a) the notice is deemed to be received on the day it is given to the member.

86.3 Where a notice is sent to a member in accordance with Rules 86.1(b) and (c), the notice shall be deemed to have been received by the members on the day following that on which the notice was sent.

86.4 Where a notice is provided to a member in accordance with Rule 86.1(d), the notice shall be deemed to have been received by the member on the day following that on which the Club provided the member with the relevant information to access the notice.

87 DELETED”

(b) inserting the following new sub-heading and Rule 90:

“MEETINGS AND VOTING

90.1 In accordance with section 30C (3) of the Registered Clubs Act, the Club, the

Riverstone-Schofield Memorial Club Limited
Ordinary Resolutions
AGM (2022 Financial Statements)

Board, or a committee of the Club may (but is not required to):

- (a) distribute a notice of, or information about, a meeting or election of the Club, the Board, or a committee of the Club by electronic means, and/or*
- (b) hold a meeting at which all or some persons attend by electronic means but only if a person who speaks at the meeting can be heard by the other persons attending;*
- (c) allow a person entitled to vote at a meeting of the Club, the Board, or a committee of the Club to vote in person or by electronic means.*


90.2 If there is any inconsistency between Rule 90.1 and any other provision of this Constitution, Rule 90.1 shall prevail to the extent of that inconsistency."

Notes to Members on the Special Resolution

Paragraphs (a) and (b) update the Rules in relation to sending notices to members via electronic means, as permitted by the Corporations Act and the Registered Clubs Act and inserts a new Rule relating to general meetings, voting and meetings to bring the Constitution into line with the recently amended Registered Clubs Act.

Dated: 11/04/2023

By direction of the Board



Mark Whitby
Acting Secretary Manager

PRESIDENT REPORT

It is with pleasure that I present my Presidents Report for 2022.

After a couple of tough years, 2022 has been a great success for the club, with an outstanding financial result, proving that if we offer affordable food and beverages, great music and entertainment for the members, they will support us.

We have had a lot happen this year, starting with the resignation of the club CEO.

In the interim, the Board have asked Mark Whitby to step up into the role, and he has done a tremendous job. Thank you Mark, your commitment to the club has been outstanding, and these results are reflective of your efforts. Having Mark in the role, gives us time to ensure that when he retires, we can diligently explore the candidates for the role, and have the best credentialed person to take control. We are in no rush to jump in, as we believe the club is in safe hands with Mark. Also, our management team, I thank you. You have all worked tirelessly, with Mark to help achieve this result. Well done.

I would also like to thank all our staff, for their continued support and putting the patrons first. Thanks guys, your efforts all help to make these results possible. To Tony, Kat, James, Aileen and the team at Wok and Grill, thank you for providing quality food, at reasonable prices. A full house most weekends is proof you are doing the right thing.

To all the patrons that continue to support the club, Thank you. Without your support, we would not be here.

After a few years of uncertainty we are now in a position to continue our upgrade on facilities for our members. The first thing we have done, is to put a new roof on the Bowling Club building. This is something that was long overdue. We are also currently developing a new DA application for extending the Outdoor Gaming Lounge, and putting a roof over the front Outdoor Area. This DA will be submitted shortly, and hopefully clears council and work will commence ASAP.

Lastly, to the Board of Directors, thank you. We have had a very busy last 12 months, with many challenges, but you have worked through any issue that was put in front of you, with the interests of the club firmly at the forefront. Congratulations on a job well done.

Glenn Hunter
President

CEO REPORT

On behalf of the Board of Directors I am very pleased to announce to you the members of Riverstone Memorial Club a profit of \$1,442,588 for the 2022 financial year. This result is a testament to the dedication and commitment of the directors, management & staff, with everyone working together to provide a friendly atmosphere for members & guests of Riverstone Memorial club throughout the year. Thanks must go to the Board of Directors with their decision to maintain reasonably priced food and drinks in the current climate with prices going up and showing the support given to the club by the members & guests.

I firstly would like to thank the President Mr. Glenn Hunter and the Board of directors for their support shown to me since the departure of the previous CEO halfway through 2022. To the management team thank you for all your assistance since I've taken on the added responsibilities.

Special thanks must go to all the floor staff for their dedication and their professional, friendly can-do attitude over the past couple of years of COVID restrictions and staff shortages of late. Your efforts are very much appreciated by all concerned. "THANK YOU"

In 2022 the club donated \$125,000 to various charities and the local sporting clubs through the Clubs Grants scheme. As everyone knows that last year the local area endured two floods which caused a lot of people to fall on hard times for which the club donated \$20,000 to the Riverstone Neighbourhood Centre to their Dollars for Dignity fundraising drive to assist the local community with their Emergency Relief Fund. I am pleased to inform you that the money raised by the Neighborhood Centre assisted around 1,300 local residents who fell into hard times.

The club being involved in the local community, the club recently entered into a partnership with the Riverstone Neighbourhood Centre in a Work Connect Initiative, this program is to try to provide local young people in the area with employment opportunities with local businesses, at present the club has employed six of the participants in the initiative.

With the club in a strong position the Board have decided to move forward with improving the club facilities including the upgrading of the Outdoor Gaming lounge and installing a roof over the front balcony.

Finally, to you, the members of Riverstone Memorial club, thank you for your continued support.

Mark Whitby SNR
CEO

TREASURER REPORT

Following the easing of Covid-19 and associated restrictions we were able to maintain normal trading operations throughout 2022, offering a wider range of entertainment, promotions and services for our Members and Guests. This return to normalised trade and a very pleasing uplift in patronage has meant we were able to deliver a profit of \$1,442,588 for the calendar year.

This result has placed our club in a strong financial position where we have now stabilised our balance sheet after several difficult years and will now look to further invest in our facilities to improve the club experience for you our members and your guests whilst continuing our financial support of local community clubs and organisations.

As a community focused club we felt the impact and concerns across the local region with another year of significant flood events which impacted people in the heart of our club and in our wider social networks. It was heartening to see the club community embrace the local drive to assist those directly impacted and as a Board we were happy that we could further assist the Riverstone Neighbourhood Centre as they worked with those most impacted by the floods. Riverstone is a strong and resilient community, which was evidenced yet again.

A massive thank you to Management and Staff for your continued diligence, efforts and customer focus throughout the year. There were some difficult periods which you all worked through in a positive manner and we are thankful for the support you have provided us and the service to our patrons.

To our members, it has been great to see so many of you return and regularly over the year. The Board appreciate that there are some difficult times financially at the moment with significant cost of living pressures, so to see you at the club and enjoying our facilities is not something we take for granted. To reflect this we have kept any pass-through of costs to you at a minimum and hope that you can continue to visit the club and keep our vibrant community flowing.

Thanks,
Mark Paul Whitby JNR

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Riverstone-Schofields Memorial Club Limited

ABN 31 000 898 626

Financial Statements
For the Year Ended 31 December 2022

Riverstone-Schofields Memorial Club Limited
Directors' Report
For the Financial Year Ended 31 December 2022

Directors

The names of the Directors in office at any time during the year ended 31 December 2022 are as follows:

Name	Special Responsibilities	Appointed	Ceased	Qualification
Glenn Hunter	President	17 January 2021		Manager
Mark Paul Whitby	Treasurer	17 January 2021		IT Manager
Mark Stacey	Senior Vice-President	17 January 2021		Builder
Malcolm David Reed	Junior Vice-President	19 May 2019		General Manager
Corina Brown	Director	21 May 2017		Office Manager
Kurt Hippe	Director	1 May 2011		Private Investigator
Stephen Cox	Director	17 January 2021		Council Worker
Gene Riley	Director	17 January 2021		Teachers Aid
Graham Keating	Director	23 May 2021		Yardsman

Meetings of Directors

During the year, 14 meetings of Directors were held. Attendances by each Director were as follows:

Name	Number Attended	Number Eligible to Attend
Glenn Hunter	12	14
Mark Paul Whitby	12	14
Corina Brown	13	14
Mark Stacey	14	14
Malcolm David Reed	13	14
Kurt Hippe	12	14
Stephen Cox	14	14
Gene Riley	14	14
Graham Keating	12	14

Constitution

The Club is a Company Limited by Guarantee and without Share Capital and the liability of members of the Licensed Club is limited to an amount not exceeding five (\$5.00) dollars towards the payments of debts and liabilities in the event of winding up. The number of members at year end were:

Associate: 10,955

Life: 3

Riverstone-Schofields Memorial Club Limited
Directors' Report
For the Financial Year Ended 31 December 2022

Activities

The principal activity of the Company in the course of the financial year was to provide members and their guests with amenities and facilities usually associated with a social and recreational Club.

No significant change in the nature of the activity occurred during the year.

Short-term Objective

The primary short-term objective of the Club is to maintain its financial security while continuing to develop the Club's facilities for its members.

Long-term Objective

The long-term objective of the Club remains consistent with the original aims of the Founding Members, which is the promotion of the local community from the greater Riverstone area.

Strategies in Achieving These Objectives

The Club has continued to invest in the Club's facilities ensuring the Club continues to be an attractive place for its members and guests. The Club continues to maintain control over its own financial future.

The Club has carefully monitored its operational performance to ensure that costs and expenditure are appropriate for the Club. However, the Club has carried on supporting and sponsoring a variety of events, social activities and charities.

Operating Results

The net operating surplus of the Company after providing for income tax for the financial year was \$1,442,588 (2021: \$175,175 surplus).

Review of Operations

A review of the operations of the Company during the financial year and the results of those operations found that during the year, the Company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Dividends

The Company is a not-for-profit organisation and is prevented by its Constitution from paying a dividend.

State of Affairs

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 not otherwise disclosed in this Report or the Accounts.

Events Subsequent to Balance Date

The Directors are not aware of any matters or circumstances which have arisen since the end of the financial year, which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in financial years subsequent to the financial year ended 31 December 2022.

Likely Developments and Results

Likely developments in the operations of the Company and the expected results of the operations have not been included in this report as the Directors believe on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the Company.

Riverstone-Schofields Memorial Club Limited
Directors' Report
For the Financial Year Ended 31 December 2022

Environmental Issues

The Company's operations are not subject to significant environmental regulations under the law of the Commonwealth or of a state or territory.

Directors' Interest

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or receivable by Directors shown in the accounts) by reason of a contract made by the Company or a related corporation with a Director or with a firm of which the Director is a Member, or with an entity in which the Director has a substantial interest.

Directors' Indemnity

Directors' indemnity premiums have been provided for, and paid, during the year for Directors' and Officers' Liability. The Insurance is in respect of legal liability for damages and legal costs 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.

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and Officers' Liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contracts.

Proceedings on Behalf of Company

No person has applied for leave to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Auditor's Independence Declaration

The Directors have obtained a declaration of independence from the auditor, in accordance with section 307C of the *Corporations Act 2001*, which forms part of this report. A copy of the declaration is attached to this report.

This report is signed in accordance with a resolution of the Directors and is signed for and on behalf of the Directors by:

Glenn Hunter
Director
16 March 2023

Mark Paul Whitby
Director
16 March 2023

The image shows two handwritten signatures in black ink. The top signature is for Glenn Hunter, and the bottom signature is for Mark Paul Whitby. Both signatures are written in a cursive, flowing style.



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Riverstone-Schofields Memorial Club Limited
Auditor's Independence Declaration to the Directors of Riverstone-Schofields Memorial 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
16 March 2023
Sydney, New South Wales

Riverstone-Schofields Memorial Club Limited
Statement of Profit or Loss and Other Comprehensive Income
For the Financial Year Ended 31 December 2022

	Notes	2022 \$	2021 \$
Revenue			
Revenue from contracts with customers	4	11,513,432	6,771,962
Other income	5	300,592	443,686
Total revenue		11,814,024	7,215,648
Expenses			
Administration expenses		(2,872,244)	(1,634,548)
Changes in inventories		12,526	(345)
Consumables used		(1,072,590)	(763,162)
Depreciation and amortisation		(750,959)	(668,886)
Employee benefits expense		(2,965,271)	(2,243,593)
Function and entertainment expenses		(710,709)	(350,006)
Finance costs		(18,533)	(22,312)
Marketing and promotion		(954,523)	(482,951)
Occupancy costs		(1,039,133)	(874,670)
Total expenses		(10,371,436)	(7,040,473)
Net surplus before income tax		1,442,588	175,175
Income tax expense		-	-
Net surplus for the year		1,442,588	175,175
Other comprehensive income		-	-
Total comprehensive income		1,442,588	175,175

The accompanying notes form part of these financial statements.

Riverstone-Schofields Memorial Club Limited
Statement of Financial Position
As at 31 December 2022

	Notes	2022 \$	2021 \$
Assets			
Current			
Cash and cash equivalents	6	5,097,534	3,256,041
Trade and other receivables	7	70,103	43,404
Inventories	8	52,061	39,535
Other assets	9	199,072	157,706
Current assets		5,418,770	3,496,686
Non-current			
Property, plant and equipment	10	12,525,921	12,765,661
Intangibles	11	205,763	205,763
Non-current assets		12,731,684	12,971,424
Total assets		18,150,454	16,468,110
Liabilities			
Current			
Trade and other payables	12	635,273	764,113
Provisions	13	859,841	698,368
Borrowings	14	374,282	116,484
Other liabilities	15	58,015	44,324
Current liabilities		1,927,411	1,623,289
Non-current			
Provisions	13	21,692	36,640
Borrowings	14	2,126,878	2,176,296
Non-current liabilities		2,148,570	2,212,936
Total liabilities		4,075,981	3,836,225
Net assets		14,074,473	12,631,885
Equity			
Accumulated funds		14,074,473	12,631,885
Total equity		14,074,473	12,631,885

The accompanying notes form part of these financial statements.

Riverstone-Schofields Memorial Club Limited
Statement of Changes in Equity
For the Financial Year Ended 31 December 2022

	Notes	Accumulated Funds \$	Total Equity \$
Balance at 1 January 2021		12,456,710	12,456,710
Surplus for the year		175,175	175,175
Other comprehensive income		-	-
Total comprehensive income		175,175	175,175
Balance at 31 December 2021		<u>12,631,885</u>	<u>12,631,885</u>
Balance at 1 January 2022		12,631,885	12,631,885
Surplus for the year		1,442,588	1,442,588
Other comprehensive income		-	-
Total comprehensive income		1,442,588	1,442,588
Balance at 31 December 2022		<u>14,074,473</u>	<u>14,074,473</u>

The accompanying notes form part of these financial statements.

Riverstone-Schofields Memorial Club Limited
Statement of Cash Flows
For the Financial Year Ended 31 December 2022

	Notes	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from members, customers and others		12,678,466	7,459,544
Receipts from government stimulus		-	313,686
Payments to suppliers and employees		(10,790,534)	(7,382,652)
Interest received		780	141
Finance costs and interest paid		(18,533)	(22,312)
Income tax paid		(25,659)	-
Net cash provided by operating activities		1,844,520	368,407
Cash flows from investing activities			
Rent received		299,812	113,163
Payments for property, plant and equipment		(511,219)	(466,936)
Net cash used in investing activities		(211,407)	(353,773)
Cash flows from financing activities			
Net increase in/(repayment of) borrowings		208,380	(125,823)
Net cash provided by/(used in) financing activities		208,380	(125,823)
Net change in cash and cash equivalents		1,841,493	(111,189)
Cash and cash equivalents at beginning of financial year		3,256,041	3,367,230
Cash and cash equivalents at end of financial year	6	5,097,534	3,256,041

The accompanying notes form part of these financial statements.

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

1. General information

The financial report covers Riverstone-Schofields Memorial Club Limited as an individual entity. Riverstone-Schofields Memorial Club Limited is a not-for-profit Company Limited by Guarantee, incorporated and domiciled in Australia.

The entity's principal activity is providing members and their guests with amenities and facilities usually associated with a social and recreational Club.

The principal place of business is 23 Market Street, Riverstone, NSW, 2765.

The financial report was authorised for issue by the Directors on 16 March 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 Company

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

3. Summary of accounting policies

Financial reporting framework

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

Statement of compliance

The general purpose financial statements of the Company 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.

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

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

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.

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. The Commissioner of Taxation accepts this method of calculating income as appropriate for recognised clubs and associations.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

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 are measured using the cost model, cost less subsequent depreciation and impairment losses. 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 asset's useful life to the Company, commencing when the asset is ready for use.

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

Fixed asset class	Depreciation rate	Method
Buildings and leasehold improvements	2.5%	Prime cost
Plant and equipment	7.5% - 40%	Prime cost
Leased plant	30%	Prime cost
Poker machines	30%	Prime cost
Leased machines	30%	Prime cost

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.

Intangible assets

Poker machine licences

Poker machine licences are considered to have an indefinite useful life. The Company tests for impairment annually, irrespective of whether there is any indication of impairment.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

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.

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).

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

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.

Provision for employee benefits

Provision is made for the entity'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.

Other 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.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of profit or loss and other comprehensive income.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

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).

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

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.

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 management judgement in applying accounting policies

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

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.

Inventories

Management estimates 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

Management reviews its 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.

Provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

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.

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

	2022	2021
	\$	\$
4. Revenue from contracts with customers		
<u>Revenue recognised over time</u>		
Poker machines net revenue	8,620,983	4,836,711
Keno commissions	151,975	103,025
TAB commissions	72,690	57,735
Members' subscriptions	13,963	21,689
Entertainment revenue	371,631	240,920
Function revenue	16,929	9,704
Sundry income	256,934	122,120
	<u>9,505,105</u>	<u>5,391,904</u>
 <u>Revenue recognised at a point in time</u>		
Bar sales	1,845,845	1,017,372
Catering sales	162,482	362,686
	<u>2,008,327</u>	<u>1,380,058</u>
	<u>11,513,432</u>	<u>6,771,962</u>

How the entity recognises revenue

Gaming revenue

Gaming revenue is recognised over the period that the game is played and is recognised net of payouts.

Membership fees

Revenue relating to membership fees is recognised over the period to which the agreement relates.

Entertainment and function revenue

Revenue relating to entertainment and functions is recognised over the period in which the service is provided.

Sale of goods

Sale of goods 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

JobSaver and Service NSW grant	-	313,686
Rental income	299,812	113,163
Workers compensation income	-	16,696
Interest income	780	141
	<u>300,592</u>	<u>443,686</u>

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

	2022	2021
	\$	\$
6. Cash and cash equivalents		
Cash on hand	250,000	200,000
Cash at bank	4,847,534	3,056,041
	5,097,534	3,256,041
7. Trade and other receivables		
Current		
TAB security deposit	5,000	5,000
Other debtors	39,444	38,404
Income tax receivable	25,659	-
	70,103	43,404
8. Inventories		
Current		
Bar stock - landed cost	52,061	39,535
	52,061	39,535
9. Other assets		
Current		
Prepayments	199,072	157,706
	199,072	157,706
10. Property, plant and equipment		
Land and buildings at cost	16,634,635	16,634,634
Land and buildings accumulated depreciation	(5,152,071)	(4,810,513)
	11,482,564	11,824,121
Plant and equipment at cost	2,375,352	2,289,743
Plant and equipment accumulated depreciation	(2,030,002)	(1,878,826)
	345,350	410,917
Poker machines at cost	3,083,692	2,658,082
Poker machines accumulated depreciation	(2,385,685)	(2,127,459)
	698,007	530,623
Total property, plant and equipment	12,525,921	12,765,661

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

10. Property, plant and equipment (continued)

	Land & Buildings	Plant & Equipment	Poker Machines
	\$	\$	\$
Net carrying amount 1 January 2022	11,824,121	410,917	530,623
Additions	-	85,609	425,610
Disposals	-	-	-
Depreciation	(341,557)	(151,176)	(258,226)
Net carrying amount 31 December 2022	<u>11,482,564</u>	<u>345,350</u>	<u>698,007</u>

	Total
	\$
Net carrying amount 1 January 2022	12,765,661
Additions	511,219
Disposals	-
Depreciation	(750,959)
Net carrying amount 31 December 2022	<u>12,525,921</u>

For the purpose of determining whether the club's land and building assets are demonstrating any indicators of impairment, it is the Directors' intention to obtain an independent external valuation every three years. During the year ended 31 December 2020, the Directors engaged Global Valuation Services to perform the valuation assessment, with an effective date of 30 January 2020. The valuation assessment highlighted that the combined fair value of the club's land and building assets was higher than the recorded net book value of such assets at that point in time and hence, the risk of impairment appears low.

	2022	2021
	\$	\$
11. Intangibles		
Poker machine licences at cost	205,763	205,763
	<u>205,763</u>	<u>205,763</u>

12. Trade and other payables

Current

Trade payables	360,120	312,149
Accrued expenses	221,328	412,821
Net GST and PAYGW payable	53,825	39,143
	<u>635,273</u>	<u>764,113</u>

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

	2022 \$	2021 \$
13. Provisions		
Current		
Provision for employee entitlements	674,452	591,678
Provision for poker machine tax	185,389	106,690
	859,841	698,368
Non-current		
Provision for employee entitlements	21,692	36,640
	21,692	36,640
14. Borrowings		
Current		
Business loan	251,112	83,704
Chattel mortgages	123,170	32,780
	374,282	116,484
Non-current		
Business loan	1,925,184	2,176,296
Chattel mortgages	201,694	-
	2,126,878	2,176,296

Chattel mortgages

The club has several chattel mortgages for the purchase of poker machines. The mortgages are for a period of 3 years with repayments being made monthly.

Business loan facility

The club has a 5-year business loan facility from end of July 2021. The initial facility was \$2,260,000 and reduces by \$20,926 for each month after 31 August 2022.

Facility utilised	2,176,296	2,260,000
Facility unutilised	-	-
Facility limit	2,176,296	2,260,000

Bank overdraft facility

The club also has access to a \$200,000 overdraft facility, which remained unutilised as at 31 December 2022.

Riverstone-Schofields Memorial Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

14. Borrowings (continued)

Security covering the above business loan and bank overdraft facilities comprises:

- a. Registered Mortgage given by Riverstone-Schofields Memorial Club Limited over property situated at 23 Market Street, Riverstone (Folio ID 1/1122960);
- b. General Security Agreement given by Riverstone-Schofields Memorial Club Limited over all present and after-acquired property - Held;
- c. Specific Security Agreement given by Riverstone-Schofields Memorial Club Limited over all the property described therein - Held.

	2022	2021
	\$	\$
15. Other liabilities		
Contract liabilities - subscriptions in advance	40,835	27,144
GST rebate in advance	17,180	17,180
	58,015	44,324

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.

Key management personnel compensation

Total key management compensation	235,229	181,123
Director-related expenses	31,972	10,238

17. Remuneration of auditors

SDJA

Audit of financial report	21,400	18,500
Assistance with preparation of the financial report	3,000	2,500
	24,400	21,000

18. Commitments

The entity has 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 of these accounts.

Riverstone-Schofields Memorial Club Limited
Directors' Declaration
For the Financial Year Ended 31 December 2022

The Directors of the Company declare that in the Directors' opinion:

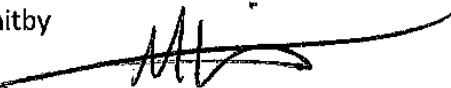
- a) the financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - i) giving a true and fair view of the Company's financial position as at 31 December 2022 and of its performance for the year ended on that date; and
 - ii) complying with Australian Accounting Standards – 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 made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

Glenn Hunter
Director
16 March 2023

A handwritten signature in black ink, appearing to read 'Glenn Hunter', with a stylized flourish at the end.

Mark Paul Whitby
Director
16 March 2023

A handwritten signature in black ink, appearing to read 'Mark Paul Whitby', with a long horizontal flourish extending to the right.



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Riverstone-Schofields Memorial Club Limited
Independent Auditor's Report to the Members of Riverstone-Schofields Memorial Club Limited
For the Financial Year Ended 31 December 2022

Opinion

We have audited the financial report of Riverstone-Schofields Memorial 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 the notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the financial report of Riverstone-Schofields Memorial 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.

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.

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 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



Simon Joyce

Director

16 March 2023

Sydney, New South Wales

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2022 - VALE

CATHARIENA BALL

DALE BARNETT

RONALD BATES

RAYMOND BELL

ALIDA COENRADI

FREDERICK COOK

FRANK JAMES CROWLEY

DESMOND BARRY GOUGH

KATHLEEN GUY

CHERYL HAIGH

ROBERT WILFRED HIBBERD

RICHARD HORNBY

TONY KIRPAL

MAVIS LOGAN

RUSSELL JOHN NOLLAND

SYDNEY RICHARDSON

ENID SAFFY

ROBERT SAFFY

PATRICIA SHARP

KEVIN SMITH

GREGORY THORNTON



Riverstone Schofields

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