Granville Diggers Club Limited

ABN 63 085 849 902

Annual Report - 31 December 2023

Granville Diggers Club Limited
Directors' report
31 December 2023

The directors present their report, together with the financial statements, on Granville Diggers Club Limited (the 'Company') for the year ended 31 December 2023.

Directors
The following persons were directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Name	Position	Date of Appointment
Paul McLaughlin	President	2009 - Director 2017 - President (August 2017)
Anton Eltakchi	Director	Appointed 24 May 2021
George Georgievski	Director	Appointed 24 May 2021
Raymond Wehbe	Director	Appointed 24 May 2021
Wally Helou	Director	Appointed 24 May 2021
Joseph Bechara	Director	Appointed 5 April 2022
Bharathi Rengarajan	Director	Appointed 26 April 2022

Meetings of directors
The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 31 December 2023, and the number of meetings attended by each director were:

Director	Number of meetings held*	Number of meetings attended
Wally Helou	12	9
Anton Eltakchi	12	10
George Georgievski	12	12
Joseph Bechara	12	12
Bharathi Rengarajan	12	10
Raymond Wehbe	12	9
Paul McLaughlin	12	9

* Number of meetings held during the time the director held office during the year.

Principal activities
The principal activities of the Company during the financial year consisted of the conduct and promotion of a licensed social club for members.

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

Operating results
The profit of the Company after providing for income tax amounted to $571,257 (2022: Profit of $538,574).

Objectives

Short and long term

The objective of the Company is to serve the members and the community in accordance with club industry traditions and values.

Strategy for achieving the objectives
The Company implements a number of strategies to achieve these objectives, including the provision of:

- A safe and enjoyable atmosphere for all members and their guests.
- Excellent service in a professional and friendly manner.
- Quality meals and drinks at affordable prices in comfortable surroundings.
- Support to the local community, schools and organizations through use of premises, donations and grants.
- A range of facilities including conference and function facilities.

Performance measurement and key performance indicator
Granville Diggers Club uses the gross profit percentage and wages to sales percentage to gauge the financial performance of all departments within the Company.

The Company also reviews EBITDA percentage as a guide to the overall performance.

	2023 %	2022 %
Key performance indicators		
Bar - Gross profit percentage	53.82%	52.21%
Bar-percentage of employee benefits expense	21.71%	21.47%

Information on directors

Name: Paul McLaughlin
Title: President
Experience and expertise: Paul McLaughlin is a retired regional manager of Work Cover NSW with over 50 years' experience, dealing with complex and delicate issues during his tenure. Being an active member of the Board for 32 years which included the amalgamation of Auburn RSL and Granville RSL in 2009. Mr McLaughlin was voted to president in 2017 and still holds this position.

Name: Anton Eltakchi
Title: Director
Experience and expertise: Anton Eltakchi is a Granville Resident for over 60 years, and Ex NSW Police officer, accountant/Tax Agent and Real Estate agent. With very strong community ties Anton's passion is getting Granville Diggers back to the Club it once was the jewel of Granville.

Name: George Georgievski
Title: Director
Experience and expertise: George Georgievski was involved in the furniture manufacturing industry for over 30 years and ran successful a business. A resident of Granville for over 40 years George is the current Treasurer and brings his business expertise to the Board room.

Name: Raymond Wehbe
Title: Director
Experience and expertise: Raymond Wehbe is an electrician by trade specialising in commercial fitouts and residential restorations. A Club member for over 20 years and a local resident all his life Raymond bring his business acumen and building industry experience to the Board room.

Name: Wally Helou
Title: Director
Experience and expertise: Wally Helou has over 40 years' experience in the construction industry and brings to the Board experience in running big projects directly related to Fire Safety and compliance. An active Club member for 35 years and a local resident during this time. Wally brings a wealth of knowledge about fire safety compliance, and commercial building trade.

Name:	Joseph Bechara
Title:	Director
Experience and expertise:	Joe Bechara born and raised in Granville successfully operates the local LJ Hooker Granville Office and has done so for over 30 years and is the director of this company. The Company has recently grown and now operates from 3 locations, Granville, Guildford and Merrylands. Joe is also a Justice of the Peace.

Name:	Bharathi Rengarajan
Title:	Director
Experience and expertise:	Bharathi Rengarajan is a chartered professional Civil and Structural Engineer and Fellow Member of Engineers Australia and hold the Lead Civil Engineer position in Australian Nuclear Science and Technology (ANSTO). 30 years of experience in the Civil Engineering field. Passion for community service and held volunteer roles in various community organisations. A strategic planner who always works with organisational values and ethics. Maintain transparent communication and encourage innovative ideas for organisational growth

Company secretary
Steven Rodrigues (Diploma of Leadership & Management, Advanced Diploma of Hospitality Management and Diploma of Business Management) has held the role of Company Secretary since November 2020. He has over 20 years of experience in Club Management including:

- Recruit, retrain and coach the right people.
- Effective financial performance of the Club.
- Strategic initiatives to drive business growth.
- Diversification of business activities to drive point of difference.
- Streamline processes and procedures for efficient business practices.
- Strategies to enhance and maintain staff engagement levels and overall culture.
- Strong background with Compliance and governance (WH&S, Food Safety and Legislative Compliance).
- Strategies directly related to enhancing the overall customer experience, which in turn builds on customer satisfaction levels.

Membership
The Company is a company limited by guarantee and is without share capital. The number of members as at 31 December 2023 and the comparison with last year is as follows:

	2023	2022
Members	8,969	9,407

Contributions on winding up
In accordance with the Constitution of the Company, every member of the Company undertakes to contribute an amount limited to $2 per member in the event of the winding up of the Company during the time that he/she is a member or within one year thereafter. The total liability in the event of winding up is $17,938 (2022: $18,814).

Matters subsequent to the end of the financial year
No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Granville Diggers Club Limited
Directors' report
31 December 2023

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Paul McLaughlin
Director

29th April 2024

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Granville Diggers Club Limited for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PARTNERS

C J Hume
Partner

Sydney, NSW
Dated: 29 April 2024

Granville Diggers Club Limited
Contents
31 December 2023

General information

The financial statements cover Granville Diggers Club Limited as an individual entity. The financial statements are presented in Australian dollars, which is Granville Diggers Club Limited's functional and presentation currency.

Granville Diggers Club Limited is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

5 Memorial Drive
Granville NSW 2142

A description of the nature of the Company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 April 2024. The directors have the power to amend and reissue the financial statements.

Granville Diggers Club Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2023

	Note	2023 $	2022 $
Revenue	3	7,811,709	6,950,376
Depreciation and amortisation expense	4	(489,779)	(566,201)
Employee benefits expense		(1,858,827)	(1,527,182)
Raw materials and consumables used		(330,197)	(243,783)
Occupancy expense		(1,487,440)	(1,401,221)
Entertainment, advertising and promotions		(269,356)	(206,929)
Social expense		(607,523)	(546,604)
Donation and welfare		(88,865)	(150,253)
Legal expense		(26,186)	(46,756)
Poker machine licenses and taxes		(1,379,141)	(1,295,732)
Other expense		(703,138)	(427,141)
Surplus before income tax expense		571,257	538,574
Income tax expense	5	-	-
Surplus after income tax expense for the year		571,257	538,574
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		571,257	538,574

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Granville Diggers Club Limited
Statement of financial position
As at 31 December 2023

	Note	2023 $	2022 $
Assets			
Current assets			
Cash and cash equivalents	6	3,460,068	3,088,668
Trade and other receivables	7	8,840	5,003
Inventories	8	51,519	41,406
Other assets	9	5,000	5,000
Total current assets		3,525,427	3,140,077
Non-current assets			
Property, plant and equipment	10	11,763,621	11,348,470
Right-of-use assets	11	4,507	4,507
Intangibles	12	2,085,000	2,085,000
Total non-current assets		13,853,128	13,437,977
Total assets		17,378,555	16,578,054
Liabilities			
Current liabilities			
Trade and other payables	13	635,026	437,162
Lease liabilities	14	-	4,624
Employee benefits	15	329,549	293,545
Total current liabilities		964,575	735,331
Total liabilities		964,575	735,331
Net assets		16,413,980	15,842,723
Members' Funds			
Retained surpluses		16,413,980	15,842,723
Total members' funds		16,413,980	15,842,723

The above statement of financial position should be read in conjunction with the accompanying notes

Granville Diggers Club Limited
Statement of changes in equity
For the year ended 31 December 2023

	Retained surpluses $
Balance at 1 January 2022	15,304,149
Surplus after income tax expense for the year	538,574
Other comprehensive income for the year, net of tax	-
Total comprehensive income for the year	538,574
Balance at 31 December 2022	15,842,723

	Retained surpluses $
Balance at 1 January 2023	15,842,723
Surplus after income tax expense for the year	571,257
Other comprehensive income for the year, net of tax	-
Total comprehensive income for the year	571,257
Balance at 31 December 2023	16,413,980

The above statement of changes in equity should be read in conjunction with the accompanying notes

Granville Diggers Club Limited
Statement of cash flows
For the year ended 31 December 2023

	Note	2023 $	2022 $
Operating activities			
Receipts from customers (inclusive of GST)		8,574,466	7,629,087
Payments to suppliers and employees (inclusive of GST)		(7,305,433)	(6,469,017)
Interest received		11,921	3,848
Net cash from operating activities		1,280,954	1,163,918
Investing activities			
Payments for property, plant and equipment	10	(904,930)	(87,750)
Proceeds from sale of property, plant and equipment		-	18,953
Net cash used in investing activities		(904,930)	(68,797)
Financing activities			
Payments for lease liabilities		(4,624)	(92,668)
Net cash used in financing activities		(4,624)	(92,668)
Net increase in cash and cash equivalents		371,400	1,002,453
Cash and cash equivalents at the beginning of the financial year		3,088,668	2,086,215
Cash and cash equivalents at the end of the financial year	6	3,460,068	3,088,668

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Material accounting policy information

The accounting policies that are material to the Company are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation
These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), and the Corporations Act 2001, as appropriate for not-for profit oriented entities.

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Note 1. Material accounting policy information (continued)

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Customer loyalty program
The Company operates a loyalty program where customers accumulated points for dollars spent. The award points are recognized as a separately identifiable component of the initial sale transaction, by allocating the fair value of the consideration received between the award points and the other components of the sale that the award points are recognized at their fair value. Revenue from the award points is recognised when the points are redeemed. The amount of revenue is based on the number of points redeemed relative to the total number expected to be redeemed.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

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

Intangible assets
The impairment of poker machine entitlements is recognised based on a value in use calculations and is measured at the present value of the estimated future cash inflows available to the Company from the use of these licenses. In determining the present value of the cash inflows growth rate and appropriate discount factor have been considerd.

Note 3. Revenue

	2023 $	2022 $
Revenue from contracts with customers		
Sales of goods		
Bar sales	725,177	543,796
Rendering of services		
Commission received	61,630	166,819
Keno sales	47,000	31,511
Poker machine - net clearances	6,511,677	5,801,689
Sundry income	405,296	271,007
Member's subscriptions	34,372	60,799
	7,785,152	6,875,621
Other revenue		
Interest received	11,921	3,848
Other revenue	14,636	70,907
	26,557	74,755
Revenue	7,811,709	6,950,376

Note 3. Revenue (continued)

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	2023 $	2022 $
Geographical regions		
Australia	7,785,152	6,875,621
Timing of revenue recognition		
Goods transferred at a point in time	725,177	543,796
Services transferred over time	7,059,975	6,331,825
	7,785,152	6,875,621

Accounting policy for revenue recognition
The Company recognises revenue as follows:

Revenue from contracts with customers
Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements and that it typically controls the goods or services before revenue transferring them to the customer.

Recognition and Measurement
Revenues are recognised at fair value of the consideration received or receivable net of the amount of goods and services tax (GST) payable to the taxation authority. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Sale of goods
Revenue from the sale of goods comprises revenue earned from the provision of food, beverage and other goods and is recognised (net of rebates, returns, discounts and other allowances) on the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods.

Rendering of services
Revenue from rendering services comprises revenue from gaming facilities together with other services to members and other patrons of the Company and is recognised when the services are provided.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Note 4. Expenses

	2023 $	2022 $
Surplus before income tax includes the following specific expenses:		
Depreciation expenses		
Depreciation of property, plant and equipment	489,779	492,653
Depreciation of right-of-use assets	-	73,548
Total depreciation	489,779	566,201
Finance costs		
Interest and finance charges paid on lease liabilities	-	1,483
Superannuation expense		
Defined contribution superannuation expense	166,691	131,578

Note 5. Income tax expense/(benefit)

The Income Tax Assessment Act, 1997 (amended) provides that under the concept of mutuality clubs are only liable for income tax on income derived from non-members and from outside entities.

	2023 $	2022 $
The amount set aside for income tax in the Statement of profit or loss and other comprehensive income has been calculated as follows:		
Net tax income/(loss) for the year	803,568	280,081
(Utilised against)/transfer to tax losses carried forward	(803,568)	(280,081)
Net income subject to tax	-	-

Accounting policy for income tax

Deferred tax assets have not been recognised in the current year due to the likelihood of utilising the recognised income tax benefits in the short term.

These benefits will only be obtained if:

(i) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit to be realised,

(ii) the Company continues to comply with the conditions for deductibility imposed by law, and

(iii) no changes in tax legislation adversely affect the Company in realising the benefit.

Recognition and Measurement

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.

Note 5. Income tax expense/(benefit) (continued)

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle the claim simultaneously.

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.

Note 6. Cash and cash equivalents

	2023 $	2022 $
Current assets		
Cash on hand	316,470	307,844
Cash at bank	2,376,494	1,783,992
Short-term deposits	767,104	996,832
	3,460,068	3,088,668

Accounting policy for cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 7. Trade and other receivables

	2023 $	2022 $
Current assets		
Trade receivables	-	3,336
GST receivables	8,840	1,667
	8,840	5,003

Accounting policy for 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 credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 8. Inventories

	2023 $	2022 $
Current assets		
Stock in hand	51,519	41,406

Accounting policy for inventories
Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Note 9. Other assets

	2023 $	2022 $
Current assets		
Other deposits	5,000	5,000

Note 10. Property, plant and equipment

	2023 $	2022 $
Non-current assets		
Freehold land and buildings - at cost	14,000,127	13,538,202
Less: Accumulated depreciation	(3,017,995)	(2,791,852)
	10,982,132	10,746,350
Pocker machines - at cost	3,990,544	3,682,863
Less: Accumulated depreciation	(3,725,849)	(3,547,153)
	264,695	135,710
Plant and equipment - at cost	3,186,498	3,051,176
Less: Accumulated depreciation	(2,669,704)	(2,584,766)
	516,794	466,410
	11,763,621	11,348,470

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Freehold land and building $	Plant and equipment $	Poker machines $	Total $
Balance at 1 January 2023	10,746,349	466,410	135,711	11,348,470
Additions	461,926	135,324	307,680	904,930
Depreciation expense	(226,143)	(84,940)	(178,696)	(489,779)
Balance at 31 December 2023	10,982,132	516,794	264,695	11,763,621

Note 10. Property, plant and equipment (continued)

Valuations of land and buildings
An independent valuation of the Company's land and buildings at Granville RSL was carried out as at 1 January 2021 on the basis of open market value for existing use and resulted in a valuation of land, buildings and improvements of $27,000,000. As land and buildings are recorded at cost, the valuation has not been brought to account. The directors do not believe that there has been a material movement in the fair value since the valuation date.

Core property
5 Memorial Drive, Granville NSW.

Accounting policy for property, plant and equipment
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 is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	40 years
Poker machines	4 years
Plant and equipment	2.5-10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 11. Right-of-use assets

	2023 $	2022 $
Non-current assets		
Right-of-use asset leased asset	93,556	93,556
Less: Accumulated depreciation	(89,049)	(89,049)
	4,507	4,507

Additions to the right-of-use assets during the year were $nil and depreciation charged to profit or loss was $nil.

The Company leases plant and equipment under agreements between 2 to 5 years. There are no options to extend under these lease agreements.

Accounting policy for right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 12. Intangibles

	2023 $	2022 $
Non-current assets		
Poker Machine - at cost	2,085,000	2,085,000

Accounting policy for intangible assets

Indefinite useful life
Poker machine entitlements are administrated by the state government and restrict the number of poker machines that can be installed by licensed club holder. The entitlements which may be transferred or acquired or sold do not have an expiration date and are therefore deemed to have an indefinite useful life. Poker machine entitlements are internally generated and therefore are only recognised when acquired and are valued at cost.

Recognition and measurement
Poker machine entitlements are not amortised. Instead, poker machine entitlements are tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and are carried at cost less accumulated impairment losses.

Note 13. Trade and other payables

	2023 $	2022 $
Current liabilities		
Trade payables	128,796	75,395
Accrued expenses	342,205	346,414
Other payables	164,025	15,353
	635,026	437,162

Accounting policy for 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 their 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.

Note 14. Lease liabilities

	2023 $	2022 $
Current liabilities		
Lease liability	-	4,624

Future lease payments		
Future lease payments are due as follows:		
Within one year	-	4,624
One to five years	-	-
	-	4,624

Note 14. Lease liabilities (continued)

Accounting policy for lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 15. Employee benefits

	2023 $	2022 $
Current liabilities		
Annual leave	170,392	156,356
Long service leave	159,157	137,189
	329,549	293,545

Accounting policy for employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Note 16. Key management personnel disclosures

(a) Directors

The following persons were non-executive directors of the Company during the financial year:

Paul McLaughlin
Raymond Wehbe
Wally Helou
Anton Eltakchi
George Georgievski
Joseph Bechara
Bharathi Rengarajan

(b) Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly during the financial year:

Name	Position
Steve Rodrigues	Chief Executive Officer
Rowan Easterbrook	Gaming Manager

Note 16. Key management personnel disclosures (continued)

(c) Key management personnel compensation

The aggregate compensation made to directors and other members of key management personnel of the Company is set out below:

	2023 $	2022 $
Total compensation paid to key management personnel	132,245	155,098

Note 17. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Company:

	2023 $	2022 $
Audit services - RSM Australia Partners		
Audit of the financial statements	31,500	30,000
Other services - RSM Australia Partners		
Preparation of the financial statements	5,500	5,000
	37,000	35,000

Note 18. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2023 and 31 December 2022.

Note 19. Commitments

The Company had no commitments for expenditure as at 31 December 2023 and 31 December 2022.

Note 20. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 16.

Directors' transactions with the Company

From time to time, directors of the Company, or their director-related entities, may purchase goods from the Company. These purchases are on the same terms and conditions as those entered into by other employees or customers and are trivial or domestic in nature.

Mr Raymond Wehbe is a sole trader providing electrical service. During the year Granville Diggers Club Limited engaged Raymond Wehbe for various Electrical services and installations around the Club. All dealings with this firm were based on normal commercial terms and conditions.

The aggregate amounts of each of the above types transactions with directors and their Director-related entities were as follows:

	2023 $	2022 $
Electrical service & installation	39,125	92,849

Note 20. Related party transactions (continued)

Apart from the details disclosed in this note, no director has entered into a material contract with the Company since the end of the previous financial year and there were no matereial contracts involving directors' interests existing at year end.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 21. Events after the reporting period

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Granville Diggers Club Limited
Directors' declaration
31 December 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2023 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Paul McLaughlin
Director

29th April. 2024

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INDEPENDENT AUDITOR'S REPORT
To the Members of Granville Diggers Club Limited

Opinion

We have audited the financial report of Granville Diggers Club Limited (the Company), which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, the statement of changes in members' funds and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(i) giving a true and fair view of the Company's financial position as at 31 December 2023 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards – *Simplified Disclosures* under AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the Corporations Regulations 2001.

Basis for Opinion

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

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

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2023, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – *Simplified Disclosures* under AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

RSM AUSTRALIA PARTNERS

C J Hume
Partner

Sydney, NSW
Dated: 29 April 2024