

2022/2023

THE ANNUAL REPORT AND ACCOUNTS



Willoughby Legion Ex-Services Club Limited

ABN: 35 000 248117

(a COMPANY Limited by Guarantee)

ANNUAL GENERAL MEETING 2023

NOTICE IS HEREBY GIVEN that the Sixty-Fourth Annual General Meeting of members of the Willoughby Legion Ex-Services Club Limited will be held on Sunday 19th November 2023, commencing at 11am, at the premises of the Willoughby Park Bowling Club Ltd, 13 Robert Street Willoughby East, NSW 2068.

Registration for AGM attendance commences at 10:30am for an 11:00am start to the meeting.

Agenda:

1. Chair opens the meeting.
2. Recital of the Ode and a period of silence for deceased Club Members.
3. Apologies
4. Confirmation of Minutes of the Sixty-Third Annual General Meeting of Members held on Saturday 8th November 2022.
5. Confirmation of the President's Report.
6. To receive and consider the Annual Report and Balance Sheet for the year ended 30th June 2023.
7. To consider and if thought fit to pass the Resolutions as notified to members and described at the end of this agenda
8. To elect Club Directors – under the Club's triennial election system, three positions are to be filled at this AGM, each for a period of three years
9. To deal with any other business of which due notice has been given
10. To consider and elect the Club's auditors for the current year
11. To consider the Board's recommendation, and if thought fit, elect a Patron of the Club – Currently Mayor Emeritus Gail Giles-Gidney
12. General Business.

RESOLUTIONS FOR CONSIDERATION BY MEMBERS

(A current copy of the Constitution (Nov 2022) is available on the Club website in the Member Info Section)

Explanatory Notes to the Special Resolutions

The Club owes a significant obligation to the Willoughby Legion Sub Branch and its members since its formation in July 1945.

Without their efforts and foresight, the Club would not exist.

The Club should recognise this obligation by amending Rule 13A to reflect the merger of the Willoughby Legion Sub-Branch with the Chatswood RSL Sub-Branch.

Rule 16 similarly requires updating to recognise the merger of the Legion and RSL sub-Branched in the Chatswood-Willoughby area, and ensure that the wishes of those valued past and present members that have served the nation have their legacy continued in the unlikely event of the Club being wound up.

Having such a rule in the constitution of Clubs, Associations and other bodies is normal practice.

What this Resolution does is that it updates the content to reflect the changed situation

13A Original Rule

13A (a) To provide to the Willoughby Sub Branch of the Australian Legion of Ex-Servicemen and Women for so long as that Sub Branch shall retain members who are also members of the Club, the use of the rooms, office facilities, notice boards, display areas and facilities as are necessary from time to time for the activities of the said Sub Branch without any fee or rent being charged by the Club.

(b) To provide without charge facilities, assistance and support to the Willoughby Sub Branch of the Australian Legion of Ex-Servicemen and Women in relation to the ceremonies, events and activities of the said Sub Branch for so long as the Sub Branch shall retain members who are also members of the Club.

(c) To uphold, support and respect the principle, spirit and ethos of the Australian Legion of Ex-Servicemen and Women in all aspects of the activities of the Club.

Proposed New Rule 13A

13A (a) To provide the Willoughby Legion Chapter of the RSL Sub Branch, for as long as that Chapter shall retain members who are also members of the Club, the use of rooms, office facilities, notice boards, display areas and facilities as are available and necessary from time to time for their activities without and fee or rent being charged by the Club

(b) To provide, without charge- facilities, assistance and support to the Willoughby Legion Chapter of the Chatswood RSL Sub Branch in relation to their ceremonies, events and activities for as long as the Chapter shall retain members who are also members of the club.

(c) To uphold, support and respect the principles. spirit, memory and ethos of the Australian Defences Forces and its allies in all aspects of the activities of the club.

Original Rule 16

16 If on the winding up or dissolution of the Club there remains after satisfaction of all its debts and liabilities any property, that property must not be paid to or distributed among the Members of the Club but must be given or transferred to:

- (a) The Willoughby Legion Sub Branch or its nominated successor entity, if any, with similar limitations as listed in clause 16(b); (inserted AGM 4 Nov 2017)
- (b) if effect cannot be given to rule 16(a), to an organisation or organisations with similar objects which prohibit distribution of income or property on winding up or dissolution among the Members at least to the extent imposed under this Constitution; or
- (c) if effect cannot be given to rule 16(b), to a charitable object or objects.

Proposed New Rule 16

If on the winding up or dissolution of the Club there remains after satisfaction of all its debts and liabilities any property, that property must not be paid to or distributed among the Members of the Club but must be given or transferred to:

(a). One or more ex-Service organisations or entities within the Willoughby Local Government Area that have within their objects, obligations to maintain and enhance the well-being of past or current Service members and their dependents, or to establish or maintain memorials to past and current Service members, or to conduct commemorative events to honour Australia's military, heritage, or to conduct educative activities within the community, or to undertake activities that recognize and respect those who have served the nation.

(b). if effect cannot be given to rule 16(a), to an organisation or organisations with similar objects which prohibit distribution of income or property on winding up or dissolution among the Members at least to the extent imposed under this Constitution; or

(c). if effect cannot be given to rule 16(b), to a charitable object or objects.

17. The organisation or organisations, or charitable object, to which distribution is made under rule 16 will be determined by:

a. the Members in General Meeting at or before the winding up or dissolution of the Club; or

b. if the Members do not make such a determination, by a court of competent jurisdiction.

ORDINARY RESOLUTION:

Explanatory Notes to Ordinary Resolution 1:

The Registered Clubs Act 1976 (NSW) generally prohibits a profit, benefits or advantage being offered to a Member of the Club, whether or not he or she is a member of the Board of Directors, or any committee of the Club, unless the profit, benefit or advantage is offered equally to every member of the Club. However, there are exceptions to this general prohibition which are described as follows.

Section 10(6) of the Registered Clubs Act in effect allows for expenses of Directors and Senior Management reasonably incurred by them in carrying out their duties as nominated in paragraphs a) to d) below.

Ordinary Resolution 1:

That pursuant to the section 10(6) and section 10(6d) of the Registered Clubs Act 1976 as amended:

The members hereby approve and agree to expenditure by the club in the sum not exceeding \$3,000 per annum for the following activities of Directors until the next Annual General Meeting of the Club:

Reasonable expenditure for a meal and beverage for each Director, after a Board or Committee meeting, on the day of that meeting, on production of invoices, receipts or other proper documentary evidence of such expenditure.

Reasonable expenditure incurred by director travelling to and from Directors Meetings, or other duly constituted committee meetings as approved by the board from time to time on the production of invoices, receipts or other proper documentary evidence of such expenditure.

Reasonable expenditure on food and refreshments for Directors and Senior Management Officers in entertaining guests of the club in the Club Bistro on the production of invoices, receipts or other proper documentary evidence of such expenditure.

Reasonable expenditure for Directors or Senior Management Officers for the purpose of travel and accommodation to the ClubsNSW Annual Conference and or the cost of entry and a meal at ClubsNSW Zone Meetings or training events.

The members acknowledge that the benefits referred to in a) to d) above are not available to members generally, but only for those who are Directors of the Club. Without the approval of the members given in General Meeting, such benefits would constitute a breach of the Registered Clubs Act 1976."

GENERAL NOTES TO MEMBERS REGARDING VOTING:

- A Special Resolution requires a 75% majority of those members who are eligible to do so, voting in person at the meeting, for it to be passed.
- An ordinary resolution requires a 50% + 1 simple majority of those members who are eligible to do so, voting in person at the meeting, for it to be passed.
- Proxy voting is not permitted.

MEMBERSHIP RENEWALS

With regards to Club membership and renewals, all members that were financial as at 1 February 2022 will remain so until the Club re-opens, with the balance of their membership being placed on pause during the closure period. If you have a membership card with an expiry year of 2022, 2023 or 2024, you are in this category. When the new Club re-opens, the “membership clock” will re-start, and new cards will be issued to you.

If a membership card is not presented on arrival at the AGM, entry will not be permitted unless currency of membership is verified by staff at the Registration Desk. Invitees and Club staff attending the AGM are not entitled to vote.

DOCUMENTATION TO BE MADE AVAILABLE ELECTRONICALLY

The President’s Report and Audited Annual Accounts can be accessed on the Club’s website after the 9th October 2023.

A handwritten signature in dark ink, appearing to read 'P. A. Dove'.

Peter Dove Secretary
Willoughby Legion Ex-Services Club Ltd
PO Box 556, Willoughby NSW 2068

CLUB PRESIDENT'S REPORT – 2023 ANNUAL GENERAL MEETING

The Club and the club land was handed over to Hycorp Group (HPG) just before last years AGM. Since then, with very few delays, the entire site has been excavated and within the last few months we can all see the escalating structure and the speed at which this is taking shape.

We acknowledge the disruption to the immediate neighbours and by all accounts there is a healthy rapport with the teams on the ground and the ongoing commitment from HPG to maintain this.

The annual accounts reflect the ongoing outgoings of having items like the council rates in our name, and would like to take this opportunity to give praise to our highly efficient accountant , Ella, as well as recognising the ongoing financial support from HPG.

By this time next year we will have a club almost fully fitted out and shall be putting the final touches towards our soft opening before our full Grande Opening scheduled to Feb 2025.

In order for this to happen as seamlessly as possible we have been busy investigating every possible avenue of advice as to what the best outcome should be for our members, our existing and new neighbours as well as the financial viability of the club itself.

The Club is proposed to consist of the following ...

3 levels of car parking with an underground porte-cochere.

Our ground floor will consist of the kid-friendly restaurant of Australiana dining spaces, the Lounge Bar, a Sports Bar, the TAB and the gaming rooms on the Penshurst St side.

The middle floor is looking strongly like we may make this a space suitable to lease out and have been getting good advice from a commercial real estate agent that has full confidence that we will have no problem leasing due to the abundant parking and new facilities.

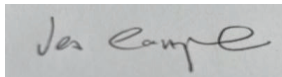
The top floor is earmarked to be our events space.

This space will be the destination for corporate events, community events as well as charity events.

The Memorial Gardens will have our original monument we used to have as well as the ashes and plaques from the Rose Gardens of the old club.

In closing we would like to acknowledge the past and present members of the Willoughby Sub-Branch – those Ex-Services that have made all this all possible.

Thank You

A rectangular box containing a handwritten signature in dark ink. The signature appears to read 'Vester Campion' in a cursive, slightly slanted script.

Vester Campion- President

WILLOUGHBY LEGION
EX-SERVICES CLUB LIMITED
ABN: 35 000 248 117
(A Company Limited by Guarantee)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH JUNE, 2023**

HARLEY, RUSSELL & DAY
Chartered Accountants

**Suite 16, 2 Catherine Street
ROCKDALE NSW 2216**

Phone: (02) 9567 0044

WILLOUGHBY LEGION EX-SERVICES CLUB LIMITED

ABN: 35 000 248 117

(A Company Limited by Guarantee)

FINANCIAL STATEMENTS – 30th June, 2023

CONTENTS

Director's Report	1-4
Auditor's Independent Declaration	5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Cash Flows	8
Notes to and forming part of the accounts	9-17
Directors Declaration	18
Independent audit report	19-21

WILLOUGHBY LEGION EX-SERVICES CLUB LIMITED

ABN: 35 000 248 117

(A Company Limited by Guarantee)

DIRECTORS' REPORT

Your Directors present their report on the Financial Statements of the Company for the year ended 30th June, 2023.

NAME OF DIRECTORS

The names of Directors in Office at any time during or since the end of the year are:-

V. Campion	C. Maher	E. Dorahy
* M. Vertzonis	R. Whyte	+ T. Gross
J. Seatter	M. Chain (Special Appointment)	I. Robinson
A. Rozos		
* Resigned 20 February 2023		+ Resigned 27 February 2023

COMPANY SECRETARY

Peter Anthony Dove was appointed Secretary Manager and Licensee of the club on 18th July 2019. Mr. Dove has been a member of the club for over 20 years and served on the Board before resigning to take up a position as a casual employee of the club. Previously he had worked in retail for over 40 years.

PRINCIPAL ACTIVITIES

The principal continuing activity of the Company was: - Licensed Ex-Service Men and Women's Club. (See below significant changes)

MEMBERS

The number of Members of the Company registered in the Register of Members at the date of this report is:

	<u>2023</u>	<u>2022</u>
Life Members	3	1
Ordinary Members	449	454
Ex-Service Members	<u>18</u>	<u>18</u>
	<u>470</u>	<u>473</u>

SIGNIFICANT CHANGES

The Licensed Club ceased trading on 29th January 2022 and was closed and handed over to HPG, where demolition for redevelopment took place on 1st September 2022. Demolition works were completed on 2nd November 2022 followed by excavation of 100,000 m³ of dirt. New Club and Residential building shoring was completed on 17th February 2023. Slabs on ground pour took place on 29th August 2023.

OPERATING RESULTS

The Net Profit (Loss) from trading for the year (after no Provision for Income Tax) amounted to a Loss of \$17,562 (2022: Profit \$3,160,730) after charging Depreciation \$NIL (2022: \$31,656) and after including a revaluation of land \$NIL (2022: 3,970,785).

WILLOUGHBY LEGION EX-SERVICES CLUB LIMITED

ABN: 35 000 248 117

(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONT.)

REVIEW OF OPERATIONS

Movements in significant items of Revenue are as follows:-

	<u>2023</u>	<u>2022</u>	<u>Increase/ (Decrease)</u>	<u>%</u>
Poker Machine Clearances	-	64,230	64,230	100%
Bar Sales	-	50,323	50,323	100%
Total Operating Expenses	-	991,286	991,286	100%

OBJECTIVES

SHORT TERM

1. To finalise internal and external Club and memorial park design and budget.
2. To support the development and construction activities of Hyecorp, per PDA.
3. To maintain communication with members and the local community regarding redevelopment progress.
4. To manage the financial obligations and corporate obligations of the Club during the construction phase.

LONG TERM

1. To secure the long-term future of Willoughby Legion Ex-Services Club Ltd.
2. To support the construction and fit out a new clubhouse.
3. To support the construction other assets on site to diversify income for members and provide community uses.
4. To prepare for the re-opening and launch of the new Club.

PRINCIPAL STRATEGIES FOR ACHIEVING OBJECTIVES

The Board has entered into a Project Development Agreement with our development partner, Hyecorp Property Group, for the development of the Heart of Willoughby site. No Club properties will be sold to fulfil the Club's obligations. The CBA will hold the Club property titles as security during the construction phase of the redevelopment.

When the project is completed, these titles will be released back to the Club. The land portion occupied by the Club premises will revert to "core land", and the remaining "non-core" land will be the subject of a long-term lease to the operators of the Independent Living Units and the aged-care facility. In return, the Club will receive an on-going revenue stream from the lessee for the duration of the lease.

The current Club has been decommissioned and the site handed over to Hyecorp for demolition, excavation and construction activities to begin.

Communication and member/community engagement activities will be jointly planned and undertaken so that all key stakeholders remain informed of the construction status and any evolving plans.

HOW THESE ACTIVITIES ASSIST IN ACHIEVING THE OBJECTIVES

The Board's intention is to ensure that the new Club will sustain member services and facilities, well into the future. Long term financial security is retained with the land titles remaining in the Club's name, with leases provided for those portions of land not occupied for Club operations to provide ongoing additional revenue streams.

New, state of the art premises will attract growth in membership and Club usage, thereby leading to community support by the Club and an increase in member assets.

WILLOUGHBY LEGION EX-SERVICES CLUB LIMITED

ABN: 35 000 248 117

(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONT.)

PERFORMANCE MEASUREMENT AND KEY PERFORMANCE INDICATORS

Performance is assessed regularly against relevant internal and industry benchmarks enabling assessment as to whether strategic initiatives have been effective in achieving company short and long term objectives. These relevant benchmarks are detailed below and are monitored by senior management and the Board on a regular basis.

Key Performance Indicators	<u>2023</u>	<u>2022</u>
<u>Bar</u>	%	%
Gross profit percentage	-	32.44
Wages to sales percentage	-	71.06
Employee Benefits – percentage of total revenue	-	101.69
EBITDA percentage of equity	(.09)	(3.98)

WILLOUGHBY LEGION EX-SERVICES CLUB LIMITED

ABN: 35 000 248 117

(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONT.)

INFORMATION ON DIRECTORS AND MEETINGS

<u>Name</u>	<u>Position</u>	<u>Experience</u>	<u>Board Meetings</u>	<u>Qualification</u>	<u>Appointed (A)/ Resigned (R)</u>
M. Vertzonis	President	Director, 9 years		Retired Business Manager	(R) 20 February 2023
J. Seatter	Vice President	Director, 16 years	7 of 8	Retired Business Owner	(RA) 18 June 2023
V. Champion	President	Director, 4 years	12 of 14	A/A Services Manager	(A) 2 November 2019
E. Dorahy	Director	Director, 17 years	13 of 14	Retired Admin Manager	(A) 2 November 2006
R. Whyte	Director	Director, 4 years	8 of 14	Business Owner	(A) 26 November 2020
C. Maher	Vice President	Director, 3 years	14 of 14	Sheetmetal Worker	(A) 21 January 2021
A. Rozos	Director	Director, 2 years	6 of 6	Business Owner	(RA) 23 March 2023
M. Chain	Special Appointed Director	Director, 1 st year	6 of 7	Business Owner	(A) 11 February 2023
I. Robinson	Director	Director, 1st year	7 of 7	Retired Director	(A) 11 February 2023

DIRECTORS' BENEFITS

Except for the benefits disclosed in Note 17, since the end of the previous financial year no Director has received or become entitled to receive any benefit by reason of a contract between the Company and himself or with a firm of which he has a substantial financial interest.

MEMBERS' LIMITED LIABILITY

In accordance with the Constitution of the Company, every member of the company undertakes to contribute an amount limited to \$2.00 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 \$940 (2022 – \$946).

AUDITOR'S INDEPENDENT DECLARATION

The Auditor's Independent Declaration for the year ended 30th June, 2023 has been received and can be found on page 5 of this report.

Dated at Willoughby this 1st day of October 2023

In accordance with a resolution of the Directors

WILLOUGHBY LEGION EX-SERVICES CLUB LIMITED

ABN: 35 000 248 117

(A Company Limited by Guarantee)

AUDITOR'S INDEPENDENT DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF WILLOUGHBY LEGION EX-SERVICES CLUB LIMITED

In accordance with s 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Willoughby Legion Ex-Services Club Limited. As the audit partner for the audit of the financial report of Willoughby Legion Ex-Services Club Limited for the year ended 30th June 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.

DATED AT SYDNEY
THIS 30TH DAY OF
SEPTEMBER 2023


.....
HARLEY, RUSSELL & DAY
Chartered Accountants

GARRY WILLIAM DAY
Registered Company Auditor

WILLOUGHBY LEGION
EX-SERVICES CLUB LIMITED
ABN: 35 000 248 117
(A Company Limited by Guarantee)

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2023

	Notes	2023 \$	2022 \$
Revenue from Continuing Operations			
Revenue from sale of goods	2	-	50,323
Revenue from rendering of services	2	24	79,113
Other Revenue from ordinary activities	2	495	13,492
Total Revenue		519	142,928
Operating Expenses			
Cost of Sales	3	-	(33,995)
Donations and Sponsorship		(400)	-
Directors' Honorariums		-	-
Employment Benefits expense		(40,803)	(145,349)
Entertainment, marketing and promotional costs		-	(1,424)
Legal and consultancy fees		(18,177)	(4,836)
Poker machine licences and taxes		-	(1,200)
Occupancy expense		(6,959)	(56,229)
Other expenses from ordinary activities		(47,265)	(702,706)
Total Operating Expenses		(113,604)	(945,739)
Earnings before borrowing costs, tax, depreciation and amortisation		(113,085)	(802,811)
Depreciation and amortisation	3	-	(31,656)
Finance Costs	3	(4,477)	(13,891)
		(4,477)	(45,547)
Profit (Loss) before income tax		(117,562)	(848,358)
Income tax expense		-	-
Total Profit (Loss) for the Year		(117,562)	(848,358)
Gain on revaluation of land	21	-	3,970,785
Other Comprehensive Income	22	100,000	38,303
Profit (Loss) attributable to members of the entity		(17,562)	3,160,730

The above accounts should be read in conjunction with the accompanying notes.

WILLOUGHBY LEGION
EX-SERVICES CLUB LIMITED
ABN: 35 000 248 117
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30TH JUNE 2023

	Notes	2023 \$	2022 \$
Current assets			
Cash assets	4	110,096	33,384
Inventories	5	-	-
Other	6	-	49,500
Total current assets		110,096	82,884
Non-current assets			
Property, plant & equipment	7	20,469,000	20,469,000
Total non-current assets		20,469,000	20,469,000
Total assets		20,579,096	20,551,884
Current liabilities			
Payables	8	18,157	26,740
Other	10	1,039	3,713
Total current liabilities		19,196	30,453
Non current liabilities			
Interest Bearing Liabilities	11	1,013,514	958,673
Provisions	9	10,850	9,660
Total non current liabilities		1,024,364	968,333
Total liabilities		1,043,560	998,786
Net assets		19,535,536	19,553,098
Equity			
Asset Revaluation Reserve	18	14,584,339	14,584,339
Land Revaluation Surplus		3,970,785	3,970,785
Retained Profits		980,412	997,974
Total equity		19,535,536	19,553,098

The above accounts should be read in conjunction with the accompanying notes.

WILLOUGHBY LEGION
EX-SERVICES CLUB LIMITED
ABN: 35 000 248 117
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2023

	2023	2022
	\$	\$
Cash Flow from Operating Activities		
Receipts from customers	110,260	142,925
Payment to suppliers and employees	(88,670)	(489,989)
Finance costs	-	(13,891)
Interest received	281	3
Net Cash from Operating Activities	<u><u>21,871</u></u>	<u><u>(360,952)</u></u>
Cash Flow from Investing Activities		
Payment for Property and Equipment	-	-
Investments - Change	-	-
Net Cash Outflows from Investing Activities	<u><u>-</u></u>	<u><u>-</u></u>
Cash Flow from Financing Activities		
Borrowings - FISHO'S CLUB	(415)	(1,130)
Borrowings - Advance Contribution HPG	265,000	235,000
Borrowings - Finance Leases Repayment	-	(5,648)
Borrowings - Members Loans (Repayment)	(209,744)	11,873
Net Cash (Outflows) from Financing Activities	<u><u>54,841</u></u>	<u><u>240,095</u></u>
Net increase/(decrease) in Cash Held	76,712	(120,857)
Cash held at the beginning of the financial year	<u>33,384</u>	<u>154,241</u>
Cash held at the end of the financial year	<u><u>110,096</u></u>	<u><u>33,384</u></u>

The above accounts should be read in conjunction with the accompanying notes.

WILLOUGHBY LEGION EX-SERVICES CLUB LIMITED

ABN: 35 000 248 117

(A Company Limited by Guarantee)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE, 2023

NOTE 1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Willoughby Legion Ex-Services Club Limited is a Company Limited by Guarantee and incorporated and domiciled in Australia. Willoughby Legion Ex-Services Club Limited is a not-for-profit entity for the purpose of preparing the financial report. The principal activities of the Company consist of maintaining and operating a licensed club with associated sporting activities after the redevelopment of the site is completed.

Registered office:

26 Crabbes Avenue

WILLOUGHBY NORTH NSW 2068

Principal Place of Business:

26 Crabbes Avenue

WILLOUGHBY NORTH NSW 2068

BASIS OF PREPARATION

The Willoughby Legion Ex-Services Club Limited report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Simplified Disclosures. This includes compliance with the recognition and measurement requirements of all Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the disclosure requirements of AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

This is the second financial report of the group prepared in accordance with Australian Accounting Standards - Simplified Disclosures. The prior year financial report was prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements. The transition from the previous financial reporting framework to Australian Accounting Standards - Simplified Disclosures has not affected the group's reported financial position, financial performance and cash flows.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

ACCOUNTING POLICIES

a) **Revenue Recognition**

Sales Revenue

Sales Revenue comprises revenue earned from the provision of catering, beverage, and poker machine facilities to members and other patrons of the Club. Sales revenue is recognised when the goods and services are provided.

Asset Sales

The gross proceeds of asset sales are included as revenue of the entity. The profit or loss on disposal of assets is brought to account at the date an unconditional contract of sale is signed.

Interest Income

Interest income is recognised as it accrues.

b) **Principal Activities**

The company operates as a Licensed Club.

WILLOUGHBY LEGION EX-SERVICES CLUB LIMITED

ABN: 35 000 248 117

(A Company Limited by Guarantee)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE, 2023

NOTE 1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) **Property, Plant & Equipment**

Property, plant and equipment are included at cost or at an independent valuation. All fixed assets, including buildings and capitalised leases, but excluding freehold land, are depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

d) **Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the company, and are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

The Company has applied Accounting Standard AASB 16 in respect to the Right-of-Use Assets from 1st January 2019.

e) **Depreciation of property, plant and equipment**

Depreciation is calculated on a straight line basis to write off the net cost or revalued amount of each item of property, plant and equipment (excluding land) over its expected useful life. The exception is glassware, crockery and cutlery, which is expensed in the year of purchase. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The expected useful lives are as follows:

<u>Category</u>	<u>Useful Life</u>	<u>Depreciation Basis</u>
Buildings	40 years	straight line
Plant and equipment	5 years	diminishing value

f) **Trade and other creditors**

These amounts represent liabilities for goods and services provided to the club prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

g) **Maintenance and repairs**

The costs of maintenance, repairs and minor renewals are charged as expenses as incurred.

h) **Employee Entitlements**

(i) **Wages and salaries, annual leave and sick leave**

Liabilities for wages and salaries, annual leave and sick leave are recognised and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

(ii) **Long service leave**

A liability for long service leave is recognised for all employees of the club with ten years or more service. No adjustment is made for inflation of wage rates or discounting of expected future payments as the net effect is not expected to be material.

i) **Goods and Services Tax**

Revenues, 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. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis.

WILLOUGHBY LEGION
EX-SERVICES CLUB LIMITED
ABN: 35 000 248 117
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2023

	2023 \$	2022 \$
NOTE 2. REVENUE FROM CONTINUING OPERATIONS		
Operating Activities		
<u>Revenue from Sale of Goods</u>		
Bar Sales	-	50,323
<u>Revenue from Rendering Services</u>		
Poker Machines	-	64,230
Tab	-	6,090
Functions & Facility Hire	-	8,296
Raffles	-	-
Keno	24	497
	24	79,113
<u>Other Revenue from Ordinary Activities</u>		
Donations & Sponsorship	-	8
Interest	281	3
Members Subscriptions	14	901
Commission Vending Machines	-	44
Other	200	1,766
Sale of Assets	-	10,770
	495	13,492
Total Revenue from Continuing Operations	519	142,928
NOTE 3. EXPENSES FROM OPERATING ACTIVITIES		
Cost of Goods Sold	-	33,995
Bar	-	33,995
Finance Costs	4,477	
Borrowing Costs	4,477	13,891
Loss on disposal of non current assets	-	525,078
Depreciation of plant & equipment	-	31,656
	-	31,656

WILLOUGHBY LEGION
EX-SERVICES CLUB LIMITED
ABN: 35 000 248 117
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2023

	2023 \$	2022 \$
NOTE 4. CURRENT ASSETS - CASH ASSETS		
ANZ Cheque	69,709	21,278
ANZ Online Saver	40,387	12,106
	<u>110,096</u>	<u>33,384</u>
The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:		
Balances as above	<u>110,096</u>	<u>33,344</u>
Balances as per statement of cash flows	<u>110,096</u>	<u>33,344</u>
NOTE 5. INVENTORIES		
Finished Goods - at cost	<u>-</u>	<u>-</u>
NOTE 6. OTHER		
Receivable - HPG - CW Pty Ltd	<u>-</u>	49,500
	<u>-</u>	<u>49,500</u>
NOTE 7. NON-CURRENT ASSETS - PROPERTY, PLANT & EQUIPMENT		
Land - at Valuation	16,469,000	16,469,000
Willoughby Sub-Branch land acquired in 2016	4,000,000	4,000,000
	<u>20,469,000</u>	<u>20,469,000</u>
Total Land and Buildings	<u>20,469,000</u>	<u>20,469,000</u>

WILLOUGHBY LEGION
EX-SERVICES CLUB LIMITED
ABN: 35 000 248 117
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2023

	2023	2022
	\$	\$
NOTE 7. NON-CURRENT ASSETS - PROPERTY, PLANT & EQUIPMENT (continued)		
Total property, plant and equipment	<u>20,469,000</u>	<u>20,469,000</u>

Reconciliation

Total of Land and Buildings of \$20,469,000 consist of the "Core Assets" as defined under the Registered Clubs Act.

The Board of Directors on 21st July 2022 have determined that the valuation of the Club Land Titles for 30th June 2023 financials to be \$20,469,000.

The original Club titles were valued at \$16,469.00 by Asset Property Consultants, valuer Mr James Doncas (Reg. Valuer 2584) in September 2011. Additional land acquired from the Willoughby Sub-Branch in 2016, and was valued by Herron Todd White, valuer Mr Steve Fraser (Reg. Valuer 6150) at \$4,000.

Given the approx. 14,000m² of land at North Willoughby, the Directors were satisfied that a formal valuation at this time would be higher than this sum, and that a valuation after completion of the redevelopment would be higher again, when the next property valuation will be made.

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

	Land	Smoking Terrace	Plant & Equipment	Total
	\$	\$	\$	\$
Carrying amount at 30th June 2022	20,469,000	-	-	20,469,000
Carrying amount at 30th June 2023	<u>20,469,000</u>	<u>-</u>	<u>-</u>	<u>20,469,000</u>

WILLOUGHBY LEGION
EX-SERVICES CLUB LIMITED
ABN: 35 000 248 117
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2023

	2023	2022
	\$	\$
NOTE 8. CURRENT LIABILITIES - PAYABLES		
Trade creditors	11,008	26,740
Other Payables and Accruals	7,149	-
	<u>18,157</u>	<u>26,740</u>
NOTE 9. CURRENT & NON-CURRENT LIABILITIES - PROVISIONS		
Employee Entitlements - Annual Leave - Current	-	-
Employee Entitlements - Long Service Leave - Non Current	10,850	9,660
	<u>10,850</u>	<u>9,660</u>
NOTE 10. CURRENT LIABILITIES - OTHER		
Taxation GST PAYG	1,039	(5,483)
Other payables and accruals	-	9,196
	<u>1,039</u>	<u>3,713</u>
NOTE 11. NON CURRENT - INTEREST BEARING LIABILITIES		
Loans from Members	-	209,744
Loan from Toorshi Pty Ltd Secured	1,000,000	735,000
Loan from Fisho's Club	13,514	13,929
	<u>1,013,514</u>	<u>958,673</u>
NOTE 12. DIVIDENDS		
Under the club's Constitution, there is no provision for the payment of dividends.		
NOTE 13. CONTINGENT LIABILITIES		
There were no contingent liabilities at year end.	<u>-</u>	<u>-</u>

WILLOUGHBY LEGION
EX-SERVICES CLUB LIMITED
ABN: 35 000 248 117
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2023

NOTE 14. INDUSTRY AND OPERATION LOCATIONS

The company operates predominantly in the hospitality and entertainment industry.

The Company's operations and customers are located predominantly in Sydney, New South Wales. The Company provides food, beverage, gaming and other entertainment facilities to members and guests, which has now been suspended during redevelopment.

NOTE 15. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

A business related to Jack Seatter (Past Club President), Jack's Mowing provided mowing to the grounds maintenance to the Company during the financial year ended 30 June 2022 to the value of \$6,250. For the year ended 30 June 2023 this has been NIL.

Apart from the details enclosed on this note, no other key management personnel has transacted with the Company since the end of the previous financial year and there were no outstanding balances involving key management personnel's interests existing at year-end.

Other Related Transactions

During the year the Company was supported by unsecured loans made to the Company by the Members to the extent of \$213,876 that has now been fully repaid including interest.

NOTE 16. CURRENT POSITION - REDEVELOPMENT

The site has been vacated, Hyecorp has moved in its equipment for the early stages of works, and boarding has been erected around the site.

WILLOUGHBY LEGION
EX-SERVICES CLUB LIMITED
ABN: 35 000 248 117
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2023

NOTE 17. KEY MANAGEMENT PERSONNEL COMPENSATION

Key Management Personnel

Names and positions held of key management personnel in office at any time during the financial year are:

Ves Campion	President	Angelo Rozos	Director
Chris Maher	Vice President	Ron Whyte	Director
Matt Vertzonis	Director	Trevor Gross	Director
John Scatter	Director	Ian Robinson	Director
Elizabeth Dorahy	Director		

Other Key Management Personnel

Peter Dove	Secretary Manager
Jodie Markes	Operational Manager

Key Manager Personnel Compensation

	<u>Short-term benefits</u>		<u>Post employment benefits</u>	
	Cash, Salary & Commissions	Allowances	Superannuation	Total
	\$		\$	\$
Total compensation - 2023	15,848		1,663	17,511
Total compensation - 2022	64,939	-	9,735	74,672
		<u>2023</u>		<u>2022</u>
		\$		\$
Honorariums		-		-
Director's Expense		<u>824</u>		<u>527</u>

Director's Expenses did not exceed the amount approved by Members at the last Annual General Meeting.

NOTE 18. ASSET REVALUATION

The value of the land was revalued at \$20,469,000 (see Note 7) in 2022, the increase in the valuation being \$3,970,785.

WILLOUGHBY LEGION
EX-SERVICES CLUB LIMITED
ABN: 35 000 248 117
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2023

NOTE 22. OTHER COMPREHENSIVE INCOME

During the year the company received the following other income:

(i) Under the Project Development Agreement entered into with HPG CW Pty Ltd in January 2017 under Clause 20.2, the Developer has provided \$5,000 per month for July and August 2022, then \$20,000 per month exclusive of GST, up to 30th June 2023.

	<u>2023</u>	<u>2022</u>
	\$	\$
Amount received up to 30th June 2023	210,000	60,000
- State Government		
- Small Business Grant	-	38,303
(iii) Less Project Management Eastview	(110,000)	(60,000)
TOTAL OF OTHER COMPREHENSIVE INCOME	<u><u>100,000</u></u>	<u><u>38,303</u></u>

NOTE 23. LOAN FROM TOORSHI PTY LTD OF \$1,000,000

On 23 February 2017 the company secured a loan from Toorshi Pty Ltd, which flowed from the Project Delivery Agreement with HPG CW Pty Ltd, and is secured by a mortgage over the company's real estate. There is no interest or principal payments required and the loan is repayable on completion of the development, which could be between 3 to 5 years.

NOTE 24. STATEMENT OF CHANGES IN EQUITY

Opening Balance 30 June 2022	997,974	1,808,029
Less Profit/(Loss) for the year	<u>(17,562)</u>	<u>(810,055)</u>
Closing Balance 30 June 2023	<u><u>980,412</u></u>	<u><u>997,974</u></u>

NOTE 25. EVENTS SUBSEQUENT TO BALANCE DATE

The accounting AASB 110 requires significant events after the reporting period for the year ended 30th June 2023 to be disclosed.

Going Concern

The Company ceased trading on 29th January 2022 for the purpose of the redevelopment of the site for a period anticipated to be between three to five years.

NOTE 26. AUDITOR'S REMUNERATION

Auditing the Financial Statements	9,000	10,000
-----------------------------------	-------	--------

WILLOUGHBY LEGION EX-SERVICES CLUB LIMITED

ABN: 35 000 248 117

(A Company Limited by Guarantee)

DIRECTORS' DECLARATION

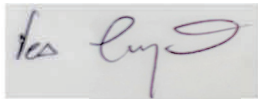
The directors of the company declare that:

1. The financial statements and notes, as set out on pages 1 to 17 are in accordance with the Corporations Act 2001:
 - (a) Comply with Accounting Standards - Simplified Disclosure Requirements and the Corporation Regulations 2001; and
 - (b) Give true and fair view of the financial position as at 30th June 2023 and of the performance for the year ended on that date of the company;
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Dated at Willoughby this 1st day of October 2023

In accordance with a resolution of the Directors



.....
VESTER CAMPION - PRESIDENT



.....
CHRISTOPHER MAHER- VICE PRESIDENT

WILLOUGHBY LEGION EX-SERVICES CLUB LIMITED

ABN: 35 000 248 117

(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
WILLOUGHBY LEGION EX-SERVICES CLUB LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Willoughby Legion Ex-Services Club Limited (the Company), which comprises the statement of financial position as at 30th June 2023, and the statement of comprehensive income, statement of changes in equity and 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 Willoughby Legion Ex-Services Club Limited, is in accordance with the *Corporations Act 2001*, including:

- (a) Giving a true and fair view of the company's financial position as at 30th June 2023, and of its financial performance for the year then ended; and
- (b) Complying with Australian Accounting Standards AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for Not-for-Profit Tier 2 Entities* and the *Corporations Regulations 2001*.

Emphasis of Matter

The licensed Club trading operation ceased on 29th January 2022, and is no longer a going concern. The site is now currently being redeveloped.

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 set out under Auditing Standard ASA 700. 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 the auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

WILLOUGHBY LEGION EX-SERVICES CLUB LIMITED

ABN: 35 000 248 117

(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

WILLOUGHBY LEGION EX-SERVICES CLUB LIMITED (continued)

Other Information

The directors are responsible for the other information. The other information comprises the information contained in the Willoughby Legion Ex-Services Club Limited Annual Report (but does not include the financial report and our auditor's report thereon).

Our opinion on the financial report does not cover the other information and accordingly we do not and will 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 identified above 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.

Based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is no material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has 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.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.

WILLOUGHBY LEGION EX-SERVICES CLUB LIMITED

ABN: 35 000 248 117

(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
WILLOUGHBY LEGION EX-SERVICES CLUB LIMITED (continued)

Auditor's responsibilities for the audit of the Financial Report (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern.
- If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

**DATED AT SYDNEY
THIS 15TH DAY OF
OCTOBER 2023**


.....
HARLEY, RUSSELL & DAY
Chartered Accountants

GARRY WILLIAM DAY
Registered Company Auditor

Willoughby Club

PO Box 556,
North Willoughby NSW 2068
0400 673 312

