

CLUB FORBES

ABN: 49 000 980 058

**Financial Report For The Year Ended
30 June 2023**

Club Forbes

ABN: 49 000 980 058

Financial Report For The Year Ended 30 June 2023

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CLUB FORBES
ABN: 49 000 980 058
DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2023.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Wayne Richards - President
Grant E Nicholson - Senior Vice President resigned (7/01/2023)
Denise Richards
Greg Whitworth resigned (8/05/2023)
Kevin Watts
Gregory Ridge
Leanne Robinson

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

Review of Operations

The profit of the company for the financial year after providing for income tax amounted to \$754,546.

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

Principal Activities

The principal activities of the club during the financial year were to provide social and entertainment facilities for its members. No significant change in the nature of these activities occurred during the year.

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years other than those occurred in Note 17.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental Regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Proceedings on Behalf of the Company

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

The company was not a party to any such proceedings during the year.

Wayne Richards - President

Elected to the Board in 2006. Former Lieutenant Commander RAN, Semi-retired.

Member of the Clubs Director Institute.

Completion of Directors Mandatory Training

Finance for Clubs Boards

Director Foundation and Management Collaboration

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DIRECTORS' REPORT

Denise Richards

Elected to the Board in 2015. Retired Public Servant
Held managerial positions within the NSW Police Force for a period of 18 years encompassing HR Management, Data Control and Technological Training. Project Manager to Commander, Olympic Security Command Centre for 2 years in preparation of the Sydney Olympics.
Volunteer with the Forbes Torchbearers and undertaken training as Legatee.
Member of the Clubs Director Institute
Completion of Directors Mandatory Training
Finance for Clubs Boards
Director Foundation and Management Collaboration

Grant Nicholson - Senior Vice President

Held Executive position for 2 years on the Forbes Rugby Union Club
Member of the Clubs Director Institute.
Completion of Directors Mandatory Training
Finance for Clubs Boards
Director Foundation and Management Collaboration

Gregory Whitworth

Elected to the Board in 2019. Retail Sales Furniture
Experience:
Member of the Clubs Director Institute
Completion of Directors Mandatory Training
Finance for Club Boards
Director Foundation and Management Collaboration
Urrbrae Agricultural College
Agricultural Certificate University of Adelaide
5UV On Air training Presenters for Radio
Founding Member of Kangaroo Island Community Broadcasters 5KIX FM
President K.I Players Theatre Group
President Kid Care Child Centre
2 LVR Board Member, Treasurer, Vice President

Kevin Watts

Elected to the Board in 2019. Paramedic Ambulance NSW
Experience:
Member of the Clubs Director Institute
Completion of Directors Mandatory Training
Finance for Club Boards
Director Foundation and Management Collaboration
Ambulance Management Qualification
Bachelor Degree in Paramedicine
Head Coach of NSW Softball Representative Team
Forward Commander at Major Incident Scenes
President of Penrith Softball Club Inc
President of Penrith City Softball Association Inc

Gregory Ridge

Appointed 22 December 2022
Works for Forbes Shire Council, and runs a small business in his spare time
Involved in Forbes Little Athletics

Leanne Robinson

Appointed 22 December 2022
Works for Choices Flooring in Parkes

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DIRECTORS' REPORT

Directors Meeting attendance record

| Name | Director Meetings | |
|-----------------|---------------------------|-----------------|
| | Number Eligible to Attend | Number Attended |
| Wayne Richards | 10 | 10 |
| Grant Nicholson | 6 | 1 |
| Denise Richards | 10 | 9 |
| Greg Whitworth | 9 | 7 |
| Kevin Watts | 10 | 9 |
| Gregory Ridge | 10 | 9 |
| Leanne Robinson | 10 | 7 |

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 on page 4.

This directors' report is signed in accordance with a resolution of the Board of Directors:

Director

Wayne Richards - President

Dated this

day of

2023

CLUB FORBES
ABN: 49 000 980 058
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

| | Note | 2023 \$ | 2022 \$ |
|---------------------------------------|-------------|----------------|------------------|
| Sales revenue | 2 | 5,226,101 | 3,498,204 |
| Other income | 2 | 26,429 | 70,026 |
| Raw materials and consumables used | | (884,781) | (620,879) |
| Employee benefits expense | | (1,673,869) | (1,394,919) |
| Depreciation and amortisation expense | | (392,056) | (492,456) |
| Members Amenities | | (24,663) | (47,151) |
| Poker Machine Tax | | (455,438) | (285,479) |
| Electricity Costs | | (132,530) | (114,923) |
| Finance costs | | (88,699) | (132,093) |
| Other expenses | | (845,948) | (602,498) |
| Profit for the year | | <u>754,546</u> | <u>(122,168)</u> |

The accompanying notes form part of these financial statements.

CLUB FORBES
ABN: 49 000 980 058
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

| | Note | 2023 \$ | 2022 \$ |
|--|------|-------------------------|-------------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 6 | 759,885 | 321,061 |
| Trade and other receivables | 7 | 14,873 | 5,972 |
| Inventories | 8 | 43,537 | 29,861 |
| Other current assets | 9 | 5,000 | 5,497 |
| TOTAL CURRENT ASSETS | | <u>823,295</u> | <u>362,391</u> |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 10 | 2,743,174 | 2,797,123 |
| TOTAL NON-CURRENT ASSETS | | <u>2,743,174</u> | <u>2,797,123</u> |
| TOTAL ASSETS | | <u><u>3,566,469</u></u> | <u><u>3,159,514</u></u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 11 | 456,611 | 217,622 |
| Borrowings | 12 | 556,920 | 557,048 |
| Provisions | 13 | 125,630 | 300,299 |
| TOTAL CURRENT LIABILITIES | | <u>1,139,161</u> | <u>1,074,969</u> |
| NON-CURRENT LIABILITIES | | | |
| Borrowings | 12 | 1,335,412 | 1,750,012 |
| Provisions | 13 | 10,844 | 8,027 |
| TOTAL NON-CURRENT LIABILITIES | | <u>1,346,256</u> | <u>1,758,039</u> |
| TOTAL LIABILITIES | | <u>2,485,417</u> | <u>2,833,008</u> |
| NET ASSETS | | <u><u>1,081,052</u></u> | <u><u>326,506</u></u> |
| EQUITY | | | |
| Reserves | | 968,453 | 968,453 |
| Retained earnings (accumulated losses) | | 112,599 | (641,947) |
| TOTAL EQUITY | | <u>1,081,052</u> | <u>326,506</u> |

The accompanying notes form part of these financial statements.

CLUB FORBES
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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

| | Note | Retained Earnings (accumulated losses) \$ |
|--------------------------------|-------------|---|
| Balance at 1 July 2021 | | (519,779) |
| Comprehensive income | | |
| Profit for the year | | (122,168) |
| Balance at 30 June 2022 | | (641,947) |
| Balance at 1 July 2022 | | (641,947) |
| Comprehensive income | | |
| Profit for the year | | 754,546 |
| Balance at 30 June 2023 | | 112,599 |

The accompanying notes form part of these financial statements.

CLUB FORBES
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|--|-------------|-------------|
| Note | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | 5,226,101 | 3,568,230 |
| Payments to suppliers and employees | (3,947,718) | (3,107,279) |
| Interest received | 1,975 | 61 |
| Finance cost | (88,699) | (132,093) |
| Net cash provided by operating activities | 1,191,659 | 328,919 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (338,106) | (15,792) |
| Net cash (used in)/provided by investing activities | (338,106) | (15,792) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of lease liabilities | (585,513) | (405,043) |
| Loan repayments received from related parties | 170,784 | - |
| Net cash provided by/(used in) financing activities | (414,729) | (405,043) |
| Net increase/(decrease) in cash held | 438,824 | (91,916) |
| Cash and cash equivalents at beginning of financial year | 321,061 | 412,977 |
| Cash and cash equivalents at end of financial year | 759,885 | 321,061 |

The accompanying notes form part of these financial statements.

CLUB FORBES
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

These financial statements and notes represent Club Forbes. Club Forbes is a company limited by shares, incorporated and domiciled in Australia

The financial statements were authorised by the directors of the company.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. 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 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 are in Australian Dollars and have been rounded to the nearest dollar.

(a) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which:
 - is not a business combination; and
 - at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the company in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Uncertainty over income tax treatment

Where there is uncertainty over an income tax event, the Company determines if the uncertain tax position needs to be assessed. The Company assesses the probability that the relevant tax authority will accept the treatment of the uncertain tax event.

In the event that it is not probable that the relevant tax authority will accept the treatment, the Company establishes provisions estimated based on either the expected value method or the most likely amount, depending on which is expected to better predict the resolution of the uncertainty.

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

(b) Fair Value of Assets and Liabilities

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable accounting standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(c) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs. Refer to Note 1(u) for further details relating to a change in the inventory valuation accounting policy.

(d) Property, Plant and Equipment

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

Property

Freehold land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are charge to the statement of profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(i) for details of impairment).

The cost of fixed assets constructed includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired term of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

| Class of Fixed Asset | Depreciation Rate |
|-----------------------------|--------------------------|
| Buildings | 2.5-20% |
| Plant and equipment | 2.5-40% |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(e) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(f) Employee Benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(g) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(h) Cash and Cash Equivalents

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

(i) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

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

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO is included with other receivables or 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 ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

(k) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the company retrospectively applies an accounting policy, makes a retrospective restatement of items in the financial statements or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

Note 2 Revenue and Other Income

The Company has recognised the following amounts relating to revenue in the statement of profit or loss.

| | 2023 | 2022 |
|----------------------------|------------------|------------------|
| Total interest received | 1,975 | 61 |
| Sales revenue | 5,224,126 | 3,498,143 |
| Total sales revenue | 5,226,101 | 3,498,204 |
| Other income | 26,429 | 70,026 |
| Total income | 5,252,530 | 3,568,230 |

Note 3 Tax Expense

| | 2023 | 2022 |
|---|------|------|
| | \$ | \$ |
| (a) The components of tax (expense) income comprise: | | |
| Current tax | - | - |
| (b) The clubs tax liability is calculated in accordance with the mutuality principle. | | |

Note 4 Key Management Personnel Compensation

The Board approves annually an allowance payable to the President of the Club which is used to cover their annual costs of administrating and promoting the Club.

The Directors voluntarily provide their time and knowledge to the Club and receive no remuneration or other benefits except as those available to members.

Note 5 Auditor's Remuneration

| | 2023 | 2022 |
|--|---------------|---------------|
| | \$ | \$ |
| Remuneration of the auditor for: | | |
| — auditing or reviewing the financial statements | 23,800 | 23,000 |
| — taxation services | 1,680 | 1,570 |
| | 25,480 | 24,570 |

Note 6 Cash and Cash Equivalents

| | | 2023 | 2022 |
|---------------------------|------|----------------|----------------|
| | Note | \$ | \$ |
| CURRENT | | | |
| Cash at bank and on hand | | 759,885 | 321,061 |
| Short-term bank deposits | | - | - |
| | | 759,885 | 321,061 |
| Cash and cash equivalents | | 759,885 | 321,061 |
| Bank overdrafts | 12 | - | (57,056) |
| | | 759,885 | 264,005 |

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

Note 7 Trade and Other Receivables

| | 2023 | 2022 |
|---|--------|-------|
| | \$ | \$ |
| CURRENT | | |
| Trade receivables | 8,903 | 136 |
| | 8,903 | 136 |
| Other receivables | 5,970 | 5,836 |
| Total current trade and other receivables | 14,873 | 5,972 |

Note 8 Inventories

| | 2023 | 2022 |
|----------------------|--------|--------|
| | \$ | \$ |
| CURRENT | | |
| At cost: | | |
| Liquor & Food Stocks | 43,537 | 29,861 |

Note 9 Other Assets

| | 2023 | 2022 |
|--------------|-------|-------|
| | \$ | \$ |
| CURRENT | | |
| Prepayments | - | 497 |
| Other assets | 5,000 | 5,000 |
| | 5,000 | 5,497 |

Note 10 Property, Plant and Equipment

| | 2023 | 2022 |
|---|-------------|-------------|
| | \$ | \$ |
| LAND AND BUILDINGS | | |
| Freehold land at: | | |
| — independent valuation | 570,000 | 570,000 |
| Total land | 570,000 | 570,000 |
| Carrying amount of all freehold land had it been carried under the cost model | | |
| Buildings at: | | |
| — independent valuation | 6,351,232 | 6,351,232 |
| Accumulated depreciation | (4,666,960) | (4,439,776) |
| Total buildings | 1,684,272 | 1,911,456 |
| Total land and buildings | 2,254,272 | 2,481,456 |
| Carrying amount of all buildings had they been carried under the cost model | | |
| PLANT AND EQUIPMENT | | |
| Plant and equipment: | | |
| At cost | 4,102,812 | 3,764,705 |
| Accumulated depreciation | (3,613,910) | (3,449,038) |
| Total plant and equipment | 488,902 | 315,667 |
| Total property, plant and equipment | 2,743,174 | 2,797,123 |

(a) Movements in carrying amounts

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

| | Freehold Land | Buildings | Plant and Equipment | Total |
|---------------------------------|------------------|-----------|------------------------|-----------|
| | \$ | \$ | \$ | \$ |
| Balance at 1 July 2021 | 570,000 | 2,137,062 | 573,340 | 3,280,402 |
| Additions | | 1,521 | 14,271 | 15,792 |
| Disposals - written down value | | | (6,615) | (6,615) |
| Depreciation expense | | (227,127) | (265,329) | (492,456) |
| Carrying amount at 30 June 2022 | 570,000 | 1,911,456 | 315,667 | 2,797,123 |
| Balance at 1 July 2022 | 570,000 | 1,911,456 | 315,667 | 2,797,123 |
| Additions | | | 338,107 | 338,107 |
| Depreciation expense | | (227,184) | (164,872) | (392,056) |
| Carrying amount at 30 June 2023 | 570,000 | 1,684,272 | 488,902 | 2,743,174 |

CLUB FORBES
ABN: 49 000 980 058
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 11 Trade and Other Payables

| | 2023 | 2022 |
|--------------------------------------|---------|---------|
| | \$ | \$ |
| CURRENT | | |
| Unsecured liabilities | | |
| Trade payables | 311,392 | 157,821 |
| Sundry payables and accrued expenses | 145,219 | 59,801 |
| | 456,611 | 217,622 |

Note 12 Borrowings

| | 2023 | 2022 |
|--|-----------|-----------|
| | \$ | \$ |
| CURRENT | | |
| Bank loan secured | 556,920 | 499,992 |
| Bank overdraft secured | - | 57,056 |
| Total current borrowings | 556,920 | 557,048 |
| NON-CURRENT | | |
| Bank loan secured | 1,335,412 | 1,750,012 |
| Bank bills secured | - | - |
| Total non-current borrowings | 1,335,412 | 1,750,012 |
| Total borrowings | 1,892,332 | 2,307,060 |
| (a) Total current and non-current secured liabilities: | | |
| Bank overdraft | - | 57,056 |
| Bank loan | 1,892,332 | 2,250,004 |
| Bank bills | - | - |
| | 1,892,332 | 2,307,060 |

Note 13 Provisions

| | 2023 | 2022 |
|-------------------|---------|---------|
| | \$ | \$ |
| CURRENT | | |
| Employee Benefits | 125,630 | 300,299 |
| NON-CURRENT | | |
| Employee Benefits | 10,844 | 8,027 |

| | Employee Benefits | \$ |
|--|--------------------------|-----------|
| Analysis of provisions | | |
| Opening balance at 1 July 2022 | 308,326 | |
| Additional provisions raised during year | 2,817 | |
| Amounts used | (174,669) | |
| Balance at 30 June 2023 | 136,474 | |

Provision for employee benefits

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

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

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

CLUB FORBES
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 14 Issued Capital

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstandings and obligations of the entity. At 30 June 2023 the number of members was 4,195.

Capital Management

Management controls the capital of the company in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and to ensure that the company can fund its operations and continue as a going concern.

The company's debt and capital include ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the company's capital by assessing the company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

| | Note | 2023 \$ | 2022 \$ |
|--|-------------|------------|------------|
| Total borrowings and lease liabilities | 12 | 1,892,332 | 2,307,060 |
| Trade and other payables | 11 | 456,611 | 217,622 |
| Total debt | | 2,348,943 | 2,524,682 |
| Less cash and cash equivalents | 6 | (759,885) | (321,061) |
| Net debt | | 3,938,001 | 4,728,303 |
| Total equity | | 1,081,052 | 326,506 |
| Total net debt and equity | | 5,019,053 | 5,054,809 |
| Gearing ratio | | 78% | 94% |

Note 15 Contingent Liabilities and Contingent Assets

No contingent liabilities were noted at the time of signing the accounts.

Note 16 Cash Flow Information

| | 2023 \$ | 2022 \$ |
|--|------------|------------|
| (a) Reconciliation of cash flows from operating activities with profit after income tax | | |
| Profit after income tax | 754,546 | (122,168) |
| Non-cash flows in profit | | |
| — depreciation | 392,056 | 492,456 |
| Changes in assets and liabilities: | | |
| — (increase)/decrease in trade and other receivables | (8,901) | 1,719 |
| — (increase)/decrease in inventories | (13,676) | 1,454 |
| — (increase)/decrease in other assets | 497 | 2,725 |
| — increase/(decrease) in trade and other payables | 238,989 | (8,074) |
| — increase/(decrease) in provisions | (171,852) | (39,193) |
| Net cash provided by operating activities | 1,191,659 | 328,919 |

Note 17 Events After the Reporting Period

The directors are not aware of any significant events since the end of the reporting period.

No events were noted at date of the signing of the report which would materially impact on the financial statements.

Note 18 Related Party Transactions

The Company's main related parties are as follows:

Transactions with related parties:

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

No related party transactions occurred during the year that required to be disclosed.

CLUB FORBES
ABN: 49 000 980 058
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 19 Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans, bills, leases, preference shares, and derivatives.

The total amount for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies to these financial statements, are as follows:

| | Note | 2023 \$ | 2022 \$ |
|---|------|------------------|------------------|
| Financial Assets | | | |
| Financial assets at amortised cost: | | | |
| — Cash and cash equivalents | 6 | 759,885 | 321,061 |
| — Trade and other receivables | 7 | 14,873 | 5,972 |
| Total Financial Assets | | 774,758 | 327,033 |
| Financial Liabilities | | | |
| Financial liabilities at amortised cost | | | |
| — Trade and other payables | 11 | 456,611 | 217,622 |
| — Borrowings | 12 | 1,892,332 | 2,307,060 |
| Total Financial Liabilities | | 2,348,943 | 2,524,682 |

Financial Risk Management Policies

The directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

Financial liability and financial asset maturity analysis

| | Within 1 Year | | 1 to 5 years | | Over 5 years | | Total | |
|--|---------------|-----------|--------------|-------------|--------------|------|-------------|-------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Financial liabilities due for payment | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Bank overdrafts and loans | 566,920 | 550,748 | 1,335,412 | 1,750,012 | | | 1,902,332 | 2,300,760 |
| Trade and other payables | 456,612 | 217,623 | | | | | 456,612 | 217,623 |
| Total contractual outflows | 1,023,532 | 768,371 | 1,335,412 | 1,750,012 | - | - | 2,358,944 | 2,518,383 |
| less bank overdrafts | | | | | | | - | - |
| Total expected outflows | 1,023,532 | 768,371 | 1,335,412 | 1,750,012 | - | - | 2,358,944 | 2,518,383 |
| Financial assets — cash flows realisable | | | | | | | | |
| Cash and cash equivalents | 759,885 | 321,060 | | | | | 759,885 | 321,060 |
| Total anticipated inflows on financial instruments | 759,885 | 321,060 | - | - | - | - | 759,885 | 321,060 |
| | (263,647) | (447,311) | (1,335,412) | (1,750,012) | - | - | (1,599,059) | (2,197,323) |

Note 20 Company Details

The Company is domiciled and incorporated in Australia. The registered office of the company is:
 Club Forbes
 41-43 Templar Street, Forbes NSW 2871

The principal place of business is:
 Club Forbes
 41-43 Templar Street, Forbes NSW 2871

CLUB FORBES
ABN: 49 000 980 058
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Club Forbes, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 16, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS)
 - (b) give a true and fair view of the financial position as at 30 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.

Director

Wayne Richards - President

Dated this

day of

2023

CLUB FORBES ABN: 49 000 980 058
INDEPENDENT AUDITOR'S REPORT TO THE OWNERS OF
CLUB FORBES

Opinion

We have audited the financial report of Club Forbes (the Company), which comprises the statement of financial position as at 30 June 2023, statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies and the directors' declaration.

In our opinion:

- a. 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 30 June 2023 and of its financial performance for the year then ended; and
 - ii. complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Basis for Opinion

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

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Club Forbes, 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.

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

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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:

