



MAYFIELD EX-SERVICES CLUB LIMITED



# FINANCIAL REPORT YEAR ENDING 30 JUNE 2024

ABN 82 000 995 602

A COMPANY LIMITED BY A GUARANTEE NOT HAVING SHARE CAPITAL

# NOTICE OF 2024 ANNUAL GENERAL MEETING

NOTICE is hereby given of the Annual General Meeting of MAYFIELD EX SERVICES CLUB LIMITED to be held on Monday, 23rd September commencing at the hour of 4:00pm at the premises of the Club, 58 Hanbury Street, Mayfield, New South Wales.

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## BUSINESS

The business of the meeting will be as follows:

1. To confirm the minutes of the previous Annual General Meeting and the minutes of any other general meeting that require confirmation.
2. To receive and consider the directors' report, financial report, auditor's report and any other report of the Board. These reports are available on the Club's website [www.mexclub.com.au](http://www.mexclub.com.au).
3. To conduct the election of directors as required by the Club's Constitution.
4. To appoint a Returning Officer.
5. To consider the Ordinary Resolutions set out below.
6. To deal with any other business that may be dealt with at the Annual General Meeting.

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## CLUB PROPERTY REPORT

Pursuant to Section 41J(2) of the *Registered Clubs Act*, for the financial year ended 30 June 2023, the Club's property at:

- (a) 58 Hanbury Street Mayfield NSW is core property of the Club

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## 1. ORDINARY RESOLUTION

That:

- (a) The members hereby approve expenditure by the Club not exceeding \$60,000.00 until the next Annual General Meeting of the Club for the following:
  - (i) The reasonable costs of directors attending seminars, lectures and other educational activities as determined by the Board from time to time.
  - (ii) The reasonable costs (including travel and accommodation expenses) of directors attending meetings, conferences and trade shows conducted by ClubsNSW, the Club Managers Association and such other conferences and trade shows as determined by the Board from time to time.
  - (iii) The reasonable cost of directors attending any other registered club or gaming venue for the purpose of viewing and assessing its facilities as determined by the Board as being necessary for the benefit of the Club.
  - (iv) The reasonable cost of directors (and their spouses/partners if required) attending any club, community or charity function as the representatives of the Club and authorised by the Board to do so.
  - (v) The reasonable out of pocket expenses incurred by directors in relation to carrying out their duties directly relating to club affairs approved by the Board on production of documentary evidence of such expenditure.
  - (vi) The reasonable cost of any uniforms or clothing as required for the purposes of attending events as representatives of the Club.
- (a) The members acknowledge that the benefits in paragraph (a) are not available for members generally but are only for those who are directors of the Club.

### Notes to Members on First Ordinary Resolution

1. The First Ordinary Resolution is to have the members in general meeting approve expenditure by the Club for directors to attend seminars, lectures, trade displays and other similar events to be kept abreast of current trends and developments which may have a significant bearing on the Club and for other out of pocket expenses.

### Procedural Matters

1. To be passed, the First Ordinary Resolution must receive votes from not less than a majority of those members who being eligible to do so vote in person on the First Ordinary Resolution at the meeting.
2. The Registered Clubs Act provides that:
  - (a) members who are employees of the Club are not entitled to vote; and
  - (b) proxy voting is prohibited.

## **2. ORDINARY RESOLUTION**

That the members hereby approve:

- (a) the payment of the following honorariums:
  - (i) President - \$4,000.00 per annum
  - (ii) Senior Vice President - \$2,500.00 per annum
  - (iii) Junior Vice President - \$2,000.00 per annum
  - (iv) Ordinary Board Members - \$1,500.00 per annum
- (b) the honorariums to be paid on a pro rata basis by such instalments as may be agreed from time to time.

### **Notes to Members on Second Ordinary Resolution**

1. The Second Ordinary Resolution is to have members approve honorariums for the President, Senior Vice President, Junior Vice President and Ordinary Board members.
2. The Honorariums will be paid on a pro rata basis which means that if a director only holds office for part of the year, the director will only receive part of the honorarium.

### **Procedural Matters**

1. To be passed, the Second Ordinary Resolution must receive votes from not less than a majority of those members who being eligible to do so vote in person on the Second Ordinary Resolution at the meeting.
  2. The Registered Clubs Act provides that:
    - (a) members who are employees of the Club are not entitled to vote; and
    - (b) proxy voting is prohibited.
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## **3. ORDINARY RESOLUTION**

That the members hereby approve:

- (a) The election of Damien Horan as an honorary life member of the Club.

The nomination was put forward by ex-service member Wes Ting and seconded by ex-services member Terence Ting at the board meeting dated October 31st, 2023. The nomination was then approved by the board of directors at that board meeting, with Damien Horan absent from the room during discussion and voting.

### **Notes to Members on Third Ordinary Resolution**

1. Any Ex-Service member or Ordinary member who has rendered outstanding service to the Club, on account of such service or for any other commendable reason may be elected an Honorary Life member of the Club, provided that:
  - (a). Such member shall have been nominated by one and seconded by another ex-Service member or Ordinary member.
  - (b) The Nomination is approved by the board
  - (c) A resolution to elect such person to Honorary Life membership is carried by a majority of not less than 50% of the votes cast at the general meeting held to consider the nomination.
  - (d) Not more than one (1) Honorary Life member shall be elected annually.

### **Procedural Matters**

3. To be passed, the Third Ordinary Resolution must receive votes from not less than a majority of those members who being eligible to do so vote in person on the Third Ordinary Resolution at the meeting.
4. The Registered Clubs Act provides that:
  - (a) members who are employees of the Club are not entitled to vote; and
  - (b) proxy voting is prohibited.



# PRESIDENT'S MESSAGE

## DAMIEN HORAN

As always, it's hard to believe another year has gone by as I sit down to write this report.

As with last year, a lot can change in twelve months – and not least is the changing landscape as the units next door draw nearer to completion. They are looking fantastic - Mavid constructions have certainly delivered a top quality addition to the suburb.

On March 1st, 3 Sicilians opened with what was intended to be a “soft launch”, but history will show that their reputation along with their food offering and their amazing \$15 Lunch Specials meant that they hit the ground running from Day 1.

Following our reports you will see the audit report for the financial year just gone. Profit & Loss Statements can be hard to interpret for those who don't look at them all the time - we invite you to attend the AGM where Kirsty from Pitcher Partners will present it in detail and we will explain why we are optimistic about the results.

I would like to thank outgoing CEO Greg Luck who officially retired in March of this year. I'd like to thank him for his many years of great service and in guiding the club through the uncertainty of the pandemic years. Greg, I wish you all the very best in a well deserved retirement.

I'd like to thank my fellow board members for their resilience through the same period. It hasn't been easy for any of us faced with uncertainty and challenges that we never imagined or expected to see.

The changes that were for the most part forced upon us with the events of COVID and subsequent departure of Star Buffet are largely complete and we are seeing the benefits. We now enter a period of consolidation and growth. It is such a great feeling to see our trading figures surpassing what they were before the pandemic happened.

During this period and beyond - I'm happy to report that the club is in safe hands with Greg Rickford as CEO / General Manager and Karron Dean as Operations Manager. We are already seeing creative vision, strong leadership and confident decision making at both the day to day and board level. We are genuinely excited to see what the next few years bring under your tenure.

To our staff – we have welcomed many new faces over the past twelve months as the club gets busier – we're glad to have you on board! To those who have been with us long-term whose faces are very familiar, as always we appreciate you.

To those who lost loved ones this year I would like to offer my heartfelt condolences on behalf of myself and the club.

And to all our wonderful members – thankyou so much for continuing to support us, for embracing our changes and for making the new restaurant a success.

I firmly believe that in the next twelve months we can finally put the uncertainty of the pandemic years behind us and continue to put our best foot forward as we provide a club that our members and the community can be proud of!

Onwards and upwards!

Damien Horan  
Club President





# GENERAL MANAGER'S REPORT

## GREG RICKFORD

Here we are another year older and wiser!

A lot has changed since last year. Most notably, Greg Luck has now officially retired and my name is now above the door as your licensee - something that makes me incredibly proud.

The name above the door is not the only signage change – of course we now have an amazing Italian Restaurant in 3 Sicilians.

The apartment complex next door is looking incredible and very soon we will have a bustling community moving in who we all hope will embrace us as their new local!

You will read in the enclosed financial reports a 2024 Financial Year loss before tax of \$434,829 but this after a depreciation expense of \$1,061,055. Therefore our result before depreciation is a strong surplus of \$626,226.

It's important to appreciate the positive result of this figure considering the past few years of COVID uncertainty - including periods of being closed, periods of slow trade and the complete re-modelling of the restaurant area out of cashflow.

We also invested a considerable amount on upgrades when 3 Sicilians took over, including taking over the leasing of some high-end kitchen equipment which now makes them club property.

We invested in equipment such as the gelato cart and a wood fired pizza oven. Pizza is what makes Franco and 3 Sicilians famous – and I think you will agree the combination produces some amazing results!

The challenges of dramatic increases in electricity rates we met head-on this year with the installation of a 100kW Solar system on the club roof. This has eased our monthly electricity bills considerably, as will a new negotiated rate agreement taking effect in December.

The club continues to generate a large amount of cashflow, which gives us all great confidence in our future and gives us a strong EBITDA figure of \$803,145.

	2024	2023	
<b>Gaming</b>	\$4,615,525	\$3,997,385	2024 is up 15%
<b>Bar</b>	\$1,337,637	\$929,635	2024 is up 44%

Considering the increase achieved in the previous year this is another really strong growth and something we aim to improve on even further.

I spoke last year about being close to putting the “unprecedented times” years behind us - and I believe that the next few quarters will see us able to finally do that.

The increase in trading figures means we were able to increase the level of sponsorship provided to local charities and organisations through the ClubGrants program. This financial year we contributed over \$80,000 in grants and donations to worthy causes in our immediate area.

Mex Club is immensely proud to support the community in this way. Some examples are the Hunter Breast Cancer Foundation, who offer enormous support to women and their families affected by Breast Cancer. Got Your Back Sista - who provide life-changing support and options to women affected by domestic violence in the Hunter.

We are proud to continue to support the RSL Sub Branch, you will notice more of a presence within the club in coming months in line with the renovations they have largely completed to their museum next door.

At a community sports level, the Waratah-Mayfield Cheetahs recently introduced a women's team to the competition, and this year were able to bring back the junior teams with the help of our sponsorship.

Details of all our ClubGrants allocations can be found on our website each year, and I have included them at the end of my report on the next page.

I'd like to take this opportunity to once again thank Greg Luck personally for his guidance and support over the past years. It can be a demanding role but it is also very rewarding both in terms of the people we meet and the satisfaction of providing a club the community can really be proud of.

It really makes me happy to be downstairs on a weekday and see the club full of people in the middle of the day, something we considered normal when we had the Star Buffet.

To that end - my aim is to continue to grow the club and the services that we provide to our members and guests. I'd like to keep pushing the boundaries of what's possible in the club space while at all times keeping the club firmly rooted in its ex-Services history. After all, that's why we're here.

To Karron, all the management team and to our wonderful staff, thank you. We're really building something we can be proud of here. Keep up the good work.

To the members, thank you for your support so far. I genuinely feel it – and I'm excited to continue this journey together building a club we can enjoy and be proud of for many years.

Meet me at the Mex!

*Greg Rickford*

**CEO / General Manager**

#### **Club Grants 2024 Allocations**

##### **Category 1**

Hunter Breast Cancer Foundation	\$2,750.00
Hunter Breast Cancer Transport Service	\$5,000.00
Aust. Armed Forces Reenactment Group	\$4,000.00
RSL Sub Branch	\$5,000.00
Got your back sista	\$10,000.00
Careflight	\$4,810.00

##### **Category 2**

Waratah Mayfield Cheetahs	\$15,000.00
BNC Netball	\$10,000.00
Mayfield Netball	\$10,000.00
Mayfield Business Day	\$500.00
Waratah Mayfield Junior Cricket Club	\$3,000.00
Hunter Rugby League	\$11,300.00
Newcastle RSL Pipe Band	\$2,500

**2024 ClubGrants total : \$83,860**

**Annual financial report for the year ended 30 June 2024**

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These financial statements are the financial statements of Mayfield Ex Services Club Limited. The financial statements are presented in the Australian currency.

The financial statements were authorised for issue by the Directors on 27 August 2024. The Directors have the power to amend and reissue the financial statements.



## Directors' report

Your Directors' present their report on Mayfield Ex Services Club Limited (the Company) for the year ended 30 June 2024.

### Directors details

The following persons were Directors of Mayfield Ex Services Club Limited during the financial year, and up to the date of this report:

#### Mr Damien Horan

President  
Director since 2013

Currently working as an aircraft maintenance engineer. Previously worked as a police officer. Qualification obtained includes Diploma of Policing and Certificate IV in Aeroskills.

#### Mr Darryl Kerr

Senior Vice President  
Director since 2022

Business Manager Military Jet - Airflite Pty Ltd solely responsible for all general, personnel, production, quality and technical management.

#### Mr Lyle Chapman

Director  
Director since 1999

Worked as a carpenter and joiner.

#### Mr Richard Clarke

Director  
Director since 2018

Worked in hospitality.

#### Mr Brett Hyham

Director  
Director since 2019

Worked as a hospitality trainer.

#### Mr Wes Ting

Junior Vice President  
Director since 2002

Previously worked as a switchboard operator.

#### Mr Mervyn Nichols

Director  
Director since 2011

Previously worked as a store supervisor. Also a Director of Mayfield West Bowling Club.

#### Mr Robert Simpson

Director  
Director since 2012

Worked as both a bar manager and a photojournalist.

#### Mr Terence Ting

Director  
Director since 2018

Worked as a salesman.

### Company secretary

Mr Greg Luck has been the General Manager and Company Secretary of Mayfield Ex Services Club Limited since October of 2012 and held this position until 22 May 2024. Mr Luck has been managing clubs since 2000 with an additional 10 years of experience in the pub industry. The Company Secretary since 22 May 2024 is Mr Greg Rickford. Mr Rickford has had experience in many industries including the Club industry and extensively in the digital marketing industry.

### Director's meetings

The number of meetings the Directors held during the year and the number of meetings attended by each director is as follows:

Board members	Board meetings	
	A	B
Mr Wes Ting	12	10
Mr Damien Horan	12	10
Mr Lyle Chapman	12	10
Mr Mervyn Nichols	12	12
Mr Robert Simpson	12	12
Mr Richard Clarke	12	11
Mr Terence Ting	12	11
Mr Brett Hyham	12	11
Mr Darryl Kerr	12	8

Where:

- column A: the number of meetings the Director was entitled to attend
- column B: the number of meetings the Director attended

## Directors' report

### Core and non-core property

Pursuant to Section 41E(5) of the Registered Clubs Act 1976 (NSW) for the financial year ended 30 June 2024, the following land and buildings are considered to be core and non-core property:

#### Core Property

- 50-58 Hanbury Street, Mayfield NSW 2305

#### Non-Core Property

- Nil

### Principal activities

During the year, the principal activities of the Company was the running of a licensed Club for the benefit of its members and to meet the Company's objectives under its constitution.

There have been no significant changes in the nature of these activities during the year.

### Short-term and long-term objectives

The Company's short and long-term objectives are to:

- Provide the best facilities available to members and their guests with a special interest in the welfare of the returned service league.

To achieve these objectives the Company has adopted the following strategies:

- Maintain or increase existing revenue levels and control costs to return to profitability which will allow the Company's premises to be continually improved.

### Performance measurement

The Company measures its performance against industry benchmarks, gross profit percentage and wages to sales percentages to measure the financial performance of trading areas such as bar and gaming. The Company also uses EBITDA to measure the financial performance of the Company overall.

### Review of operations and financial results

The net loss incurred has increased compared to the prior year however the EBITDA has increased.

	2024	2023	Change
	\$	\$	
Revenue from bar, paper gaming and poker machine operations	5,953,152	4,927,020	1,026,132
Other revenue	780,474	918,034	(137,560)
Total trading revenue	6,733,626	5,845,054	888,572
Expenses excluding interest, depreciation and amortisation	(5,930,481)	(4,945,620)	(984,861)
EBITDA	803,145	899,434	(96,289)
Depreciation, amortisation, profit and loss on disposal	(1,061,055)	(993,006)	(68,049)
Interest income and expenses and finance costs	(176,919)	(268,719)	91,800
Net profit / (loss) before income tax for the year	(434,829)	(362,291)	(72,538)
Operating cashflow	745,905	1,027,006	(281,101)

The Company has returned a strong EBITDA result of \$803,145. After consideration of depreciation and interest costs, the net result shows a loss before income tax for the year of \$434,829 .

## Directors' report

### Contribution in winding up

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the Company. The total amount that members of the Company are liable to contribute if the Company wound up is \$11,734 (2023: \$11,088).

### Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with the instrument to the nearest dollar.

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under s307C of the Corporations Act 2001 is set out on page 6 and forms part of this Directors' report.

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



Damien Horan - Director



Darryl Kerr - Director

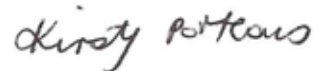
**Dated: 27 August 2024**  
**Mayfield, NSW**

## Auditor's independence declaration

To the Directors of Mayfield Ex Services Club Limited

In accordance with the requirements of section 307C of the the Corporations Act 2001, as lead auditor for the audit of Mayfield Ex Services Club Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

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



Kirsty Porteous - Partner



Pitcher Partners NH Partnership  
Chartered Accountants

**Dated: 27 August 2024**  
**Newcastle West, NSW**

**Statement of profit or loss and other comprehensive income**

For the year ended 30 June 2024

	Notes	2024 \$	2023 \$
<b>Revenue from continuing operations</b>	2	<b>6,733,626</b>	5,845,054
Other income	3	<b>106,572</b>	152,000
Bar cost of goods sold		<b>(478,277)</b>	(348,812)
Bar direct expenses		<b>(373,382)</b>	(317,132)
Gaming direct expenses		<b>(1,583,361)</b>	(1,155,240)
Paper gaming expenses		<b>(96,982)</b>	(92,922)
Rental expenses		<b>(21,605)</b>	(4,441)
Member amenities		<b>(860,907)</b>	(853,953)
Clubhouse expenses		<b>(811,013)</b>	(704,049)
Administration expenses		<b>(2,667,009)</b>	(2,561,077)
Borrowing expenses		<b>(382,491)</b>	(321,719)
		<b>(7,275,027)</b>	(6,359,345)
<b>Profit / (loss) before income tax</b>		<b>(434,829)</b>	(362,291)
Income tax expense/(benefit)	4	<b>26,806</b>	(62,827)
<b>Profit / (loss) for the year</b>		<b>(408,023)</b>	(425,118)
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income / (loss) for the year</b>		<b>(408,023)</b>	(425,118)

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

## Statement of financial position

For the year ended 30 June 2024

	Notes	2024 \$	2023 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	2,190,447	2,102,655
Trade receivables	6	22,174	17,232
Inventories	7	44,464	40,113
Financial assets at amortised cost	8	-	136,400
Other assets	9	186,621	146,269
<b>Total current assets</b>		<b>2,443,706</b>	<b>2,442,669</b>
<b>Non-current assets</b>			
Property, plant and equipment	10	13,702,239	14,258,581
Lease assets	11	182,945	17,935
Deferred tax assets	12	121,029	101,818
<b>Total non-current assets</b>		<b>14,006,213</b>	<b>14,378,334</b>
<b>Total assets</b>		<b>16,449,919</b>	<b>16,821,003</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	13	983,754	702,891
Financial liabilities	14	4,839,396	5,277,093
Provisions	15	447,804	411,321
Other liabilities	16	146,331	205,078
Lease liabilities	11	83,501	16,945
<b>Total current liabilities</b>		<b>6,500,786</b>	<b>6,613,328</b>
<b>Non-current liabilities</b>			
Financial liabilities	14	394,428	326,433
Provisions	15	11,264	9,195
Other liabilities	16	-	16,936
Lease liabilities	11	103,948	-
Deferred tax liabilities	12	157,050	164,645
<b>Total non-current liabilities</b>		<b>666,690</b>	<b>517,209</b>
<b>Total liabilities</b>		<b>7,167,476</b>	<b>7,130,537</b>
<b>Net assets</b>		<b>9,282,443</b>	<b>9,690,466</b>
<b>MEMBERS FUNDS</b>			
Retained profits		9,282,443	9,690,466
<b>Total members funds</b>		<b>9,282,443</b>	<b>9,690,466</b>

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



**Statement of changes in equity**

For the year ended 30 June 2024

	<b>Retained profits \$</b>	<b>Total \$</b>
<b>Balance at 1 July 2022</b>	10,115,584	10,115,584
Profit / (loss) for the year	(425,118)	(425,118)
<b>Total comprehensive income for the year</b>	<b>(425,118)</b>	<b>(425,118)</b>
<b>Balance at 30 June 2023</b>	<b>9,690,466</b>	<b>9,690,466</b>
Profit / (loss) for the year	(408,023)	(408,023)
<b>Total comprehensive income for the year</b>	<b>(408,023)</b>	<b>(408,023)</b>
<b>Balance at 30 June 2024</b>	<b>9,282,443</b>	<b>9,282,443</b>

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

**Statement of cash flows**

For the year ended 30 June 2024

	Notes	2024 \$	2023 \$
<b>Cash flows from operating activities</b>			
Receipts from members and customers		7,290,886	6,414,053
Payments to suppliers and employees		(6,251,062)	(5,118,328)
Interest received		88,572	53,000
Interest paid		(382,491)	(321,719)
<b>Net cash inflow (outflow) from operating activities</b>		<b>745,905</b>	<b>1,027,006</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(423,329)	(1,035,122)
Proceeds from sale of property, plant and equipment		5,962	-
Proceeds from sale of intangible assets		253,400	11,000
<b>Net cash inflow (outflow) from investing activities</b>		<b>(163,967)</b>	<b>(1,024,122)</b>
<b>Cash flows from financing activities</b>			
Proceeds from other loans		594,908	661,224
Repayment of borrowings		(495,000)	(545,000)
Repayment of other loans		(511,243)	(339,213)
Repayment of lease liabilities		(82,811)	(29,811)
<b>Net cash inflow (outflow) from financing activities</b>		<b>(494,146)</b>	<b>(252,800)</b>
<b>Net increase in cash and cash equivalents</b>		87,792	(249,916)
Cash and cash equivalents at the beginning of the financial year		2,102,655	2,352,571
<b>Cash and cash equivalents at the end of the financial year</b>	<b>5</b>	<b>2,190,447</b>	<b>2,102,655</b>

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

## Notes to the financial statements

For the year ended 30 June 2024

### 1 Summary of material accounting policies

#### (a) Information about the entity

- Mayfield Ex Services Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.
- Mayfield Ex Services Club Limited is a not for profit entity for the purpose of preparing the financial report.
- The registered office of the Company is 50-58 Hanbury Street, Mayfield, NSW 2304.
- The principal place of business of the Company is 50-58 Hanbury Street, Mayfield, NSW 2304.

#### (b) Basis of preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Simplified Disclosures, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

#### (c) Material accounting policy information

The material accounting policies applied in the preparation of this financial report are consistent with the previous period unless otherwise stated.

#### (d) Statement of compliance

This financial report complies with AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for Profit Tier 2 Entities as issued by the Australian Accounting Standards Board (AASB).

The financial report has been prepared on an accruals basis and is based on historical costs, except for assets held for sale which have been measured at fair value. The financial report is presented in Australian Dollars.

#### (e) Working capital deficiency

As at 30 June 2024, Mayfield Ex Services Club Limited has a current assets of \$2,443,706 compared to current liabilities of \$6,500,786 resulting in a working capital deficiency of \$4,057,080.

The working capital deficiency is caused by:

- (a) The entire balance of the ANZ Loan of \$4,360,000 is stated as a current liability due to the loan facility expiring on 1 March 2025. Principal repayments of \$35,000 per month commenced from March 2021 and the Directors expect to be able to refinance the debt on acceptable terms when these facilities expire.

The Directors believe the above working capital deficiency will be satisfied through:

- (a) Ongoing positive cashflows. The Company generated positive net operating cashflows of \$745,905 during the current year. The Directors consider this positive cashflow will continue;
- (b) The use of the Company's current cash balance. The Company has a cash balance at 30 June 2024 of \$2,190,447 (although \$1,998,000 is committed for an investment property purchase);
- (c) Ongoing support from its suppliers and members.
- (d) The ability to sell its investment property units that will be settled in the 2025 financial year. The Directors expect equity in this investment of approximately \$3,200,000.

Further to this:

- (e) The Directors do not foresee any issues in meeting the terms and conditions of its loans with the Bank and its trading terms with other financiers and creditors of the Company;
- (f) The Company did not meet an interest cover covenant in relation to the loan facility agreement for the current year. The Directors do not believe there will be any impacts from this matter;

The Directors are of the opinion the above will be achieved and the Company will continue as a going concern and meet its debts and commitments as they fall due. As a result, the Directors have prepared the financial report on a going concern basis.

#### (f) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the 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.

#### (g) Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest dollar.

**Notes to the financial statements**

For the year ended 30 June 2024

**2 Revenue****(a) Disaggregation of revenue from contracts with customers**

The Company derives revenue from the transfer of goods and services over time and at a point in time for the following services:

	Raffle and bingo revenue	Rental revenue	Gaming revenue	Membership revenue	Beverage revenue	Other revenue	Total
2024	\$	\$	\$	\$	\$	\$	\$
Revenue from contracts with customers	360,160	-	4,598,345	50,391	1,337,627	75,086	6,421,609
Other revenue (not covered by AASB15)	-	294,837	17,180	-	-	-	312,017
	360,160	294,837	4,615,525	50,391	1,337,627	75,086	6,733,626

*Timing of revenue recognition*

At a point in time	360,160	-	4,598,345	-	1,337,627	75,086	6,371,218
Over time	-	294,837	17,180	50,391	-	-	362,408
	360,160	294,837	4,615,525	50,391	1,337,627	75,086	6,733,626

	Raffle and bingo revenue	Rental revenue	Gaming revenue	Membership revenue	Beverage revenue	Other revenue	Total
2023	\$	\$	\$	\$	\$	\$	\$
Revenue from contracts with customers	504,230	-	3,980,205	27,009	929,635	64,359	5,505,438
Other revenue (not covered by AASB15)	-	322,436	17,180	-	-	-	339,616
	504,230	322,436	3,997,385	27,009	929,635	64,359	5,845,054

*Timing of revenue recognition*

At a point in time	504,230	-	3,980,205	-	929,635	64,359	5,478,429
Over time	-	322,436	17,180	27,009	-	-	366,625
	504,230	322,436	3,997,385	27,009	929,635	64,359	5,845,054

**(b) Accounting policies and significant judgements**

The Company recognises revenue related to the transfer of promised goods or services when a performance obligation is satisfied and when control of the goods or services passes to the customer. The amount of revenue recognised reflects the consideration to which the Company is or expects to be entitled in exchange for those goods or services.

The Company considers whether there are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. loyalty points program). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

*(i) Provision of services - raffle and bingo revenue*

Raffle and bingo income is recognised at a point in time when the customer takes possession of the ticket and the raffle or bingo game has been conducted as at this point the performance obligations have been satisfied.

*(ii) Provision of services - rental revenue*

Rental income is recognised in the statement of profit or loss and other comprehensive income on a straight line basis over the term of the lease. The company recognises rental revenue on a straight line basis with reference to the applicable CPI increases, discount rates and any relevant rental incentives.

*(iii) Provision of services - gaming revenue*

Revenue from rendering services from gaming facilities to members and other patrons of the club is recognised when the services are provided. Gaming revenue is measured at the fair value of the consideration received from the net position of the wagers placed less customer winnings paid out.

## Notes to the financial statements

For the year ended 30 June 2024

### 2 Revenue (continued)

#### (b) Accounting policies and significant judgements (continued)

(iv) *Provision of services - membership revenue*

Membership subscriptions are recognised over the term of membership and any unearned portion is deferred and included in contract liabilities. Membership revenue is measured with reference to the fee received and the period of membership that the member has paid for.

(v) *Sale of goods - beverage revenue*

Revenue from the sale of food and beverages is recognised at a point in time when the physical control of the goods passes to the customer.

(vi) *Other revenue*

The balance of other revenue is recognised at a point in time when the performance obligation has been satisfied.

### 3 Other income and expense items

	2024	2023
	\$	\$
<b>(a) Other income</b>		
Profit on sale of poker machine entitlements	18,000	99,000
Interest income	88,572	53,000
	<u>106,572</u>	<u>152,000</u>

(i) *Profit on sale of poker machine entitlements*

The Company recognised profit on sale of poker machine entitlements by comparing proceeds received on sale with the carrying amount of the asset being sold.

(ii) *Interest income*

Interest income is recognised on an accruals basis.

#### (b) Other expenses

Employee benefits expense	1,715,545	1,506,821
Depreciation and amortisation expense	1,061,055	993,006
Interest costs	382,491	321,719
Expected credit losses	(99,000)	99,000

**Notes to the financial statements**

For the year ended 30 June 2024

**4 Income tax expense**

2024	2023
\$	\$

**(a) Numerical reconciliation of income tax expense to prima facie tax payable**

The Income Tax Assessment Act 1936 (amended) provides that under the concept of mutuality, a Company is only liable for income tax on income derived from non-members and from outside entities. The amount set aside for income tax in the statement of profit or loss and other comprehensive income has been provided on a taxable income calculated as follows:

Operating profit/(loss) before income tax	(434,829)	(362,291)
Tax at the Australian tax rate at 25% (2022: 25%)	(108,707)	(90,573)
Add/(Less) tax effect of:		
Non deductible expenses	13,232	13,232
Apportionment adjustment members income and expenses	69,573	85,359
Impact of first year booking of deferred tax balances	-	54,809
Restatement of prior year tax balances	(904)	-
Income tax expense/(benefit)	<u>(26,806)</u>	<u>62,827</u>

**Accounting policy**

Deferred tax assets and liabilities are recognised for deductible and temporary differences where considered material. Deferred tax assets in respect of unused tax losses are only recognised to the extent it is probable that a taxable profit will be available against which deductible temporary differences and carried forward tax losses can be utilised if material.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability settled, based on the tax rates (and tax law) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of profit or loss and other comprehensive income.

**5 Cash and cash equivalents****Current**

Cash and cash equivalents	<u>2,190,447</u>	<u>2,102,655</u>
	<u>2,190,447</u>	<u>2,102,655</u>

**Accounting policy**

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.



**Notes to the financial statements**

For the year ended 30 June 2024

**6 Trade receivables**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Trade receivables	22,174	17,232
	<u>22,174</u>	<u>17,232</u>

**7 Inventories**

<b>Current</b>		
Stock on hand	44,464	40,113
	<u>44,464</u>	<u>40,113</u>

**Accounting policy**

Inventories are measured at the lower of cost and current replacement cost.

**8 Financial assets at amortised cost**

<b>Current</b>		
Other receivables	-	235,400
Provision for expected credit losses	-	(99,000)
	<u>-</u>	<u>136,400</u>

**Accounting policy**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method.

**Significant accounting estimates and judgements**

The collectability of financial assets is reviewed on an ongoing basis. An allowance for credit losses is established when there is objective evidence that the will not be able to collect all amounts due. Management uses its judgement in determining the level of doubtful debt provisioning, taking into account the historic analysis of bad debt trends and the prevailing economic conditions.

**9 Other assets**

<b>Current</b>		
Prepayments	186,621	146,269
	<u>186,621</u>	<u>146,269</u>

**10 Property, plant and equipment**

	Capital work in progress	Land	Buildings and improvement	Poker machines	Plant and equipment	Total
	\$	\$	\$	\$	\$	\$
<b>Non-current assets</b>						
<b>At 1 July 2023</b>						
Cost	352,276	1,050,000	19,363,499	3,708,998	2,598,623	27,073,396
Accumulated depreciation	-	-	8,712,207	2,580,668	1,521,940	12,814,815
Net book amount	<u>352,276</u>	<u>1,050,000</u>	<u>10,651,292</u>	<u>1,128,330</u>	<u>1,076,683</u>	<u>14,258,581</u>
<b>Year ended 30 June 2024</b>						
Opening net book amount	352,276	1,050,000	10,651,292	1,128,330	1,076,683	14,258,581
Additions	14,000	-	54,445	64,367	289,558	422,370
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	(5,962)	(5,962)
Depreciation charge	-	-	(478,257)	(266,529)	(227,964)	(972,750)
Closing net book amount	<u>366,276</u>	<u>1,050,000</u>	<u>10,227,480</u>	<u>926,168</u>	<u>1,132,315</u>	<u>13,702,239</u>
<b>Year ended 30 June 2024</b>						
Cost	366,276	1,050,000	19,417,944	3,773,365	2,882,181	27,489,766
Accumulated depreciation	-	-	9,190,464	2,847,197	1,749,866	13,787,527
Net book amount	<u>366,276</u>	<u>1,050,000</u>	<u>10,227,480</u>	<u>926,168</u>	<u>1,132,315</u>	<u>13,702,239</u>

## Notes to the financial statements

For the year ended 30 June 2024

### 10 Property, plant and equipment (continued)

#### Accounting policy

##### (a) Land, buildings and improvement

Land, buildings and improvement are carried at cost less any accumulated depreciation and any impairment in value.

##### (b) Plant and equipment, poker machines

Each class of plant and equipment is carried at cost less any accumulated depreciation and any accumulated impairment losses.

##### (c) Depreciation

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

Buildings and improvement	10 - 50 years
Plant and equipment	4 - 10 years
Poker machines	2.5 - 7 years

##### (d) Impairment

Property, plant and equipment are tested for impairment whenever events or circumstances indicate that the asset may be impaired.

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash inflows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash generating unit level. An impairment loss is recognised when the carrying amount of an asset or cash generating unit (to which the asset belongs) exceeds its recoverable amount.

#### Significant accounting estimates and judgements

The useful life of property, plant and equipment is initially assessed at the date the asset is ready for use and reassessed at each reporting date based on the use of the assets and the period over which economic benefits will be derived from the asset. There is uncertainty in relation to the assessment of the life of the asset including factors such as the rate of wear and tear and technical obsolescence. The estimates and judgements involved may impact the carrying value of the non-current assets and the depreciation and amortisation charges recorded in the statement of profit or loss and other comprehensive income should they change.

**Notes to the financial statements**

For the year ended 30 June 2024

**11 Lease assets and lease liabilities**

<b>2024</b>	<b>2023</b>
\$	\$

The Company leases several assets including the photocopier, POS system and multiscreen system.

**a) Lease assets****Non-current**

Carrying amount of lease assets, by class of underlying asset:

Poker machines	182,945	-	
Multiscreen system	-	1,600	
POS system	-	16,335	
	182,945	17,935	

**Reconciliation**

	<b>Poker Machine</b>	<b>Multiscreen system</b>	<b>POS system</b>	<b>Total</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Carrying amount at the beginning of the year	-	1,600	16,335	17,935	46,884
Additions	253,315	-	-	253,315	-
Amortisation	(70,370)	(1,600)	(16,335)	(88,305)	(28,949)
Carrying amount at the end of the year	182,945	-	-	182,945	17,935

**b) Lease liabilities****Current**

Lease liabilities	83,501	-	-	83,501	16,945
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**Non-current**

Lease liabilities	103,948	-	-	103,948	-
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<b>Total</b>	187,449	-	-	187,449	16,945
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**Reconciliation of lease liabilities**

	<b>Poker Machine</b>	<b>Multiscreen system</b>	<b>POS system</b>	<b>Total</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Carrying amount at the beginning of the year	-	1,167	15,778	16,945	46,756
Additions	253,315	-	-	253,315	-
Interest expense	10,814	6	226	11,046	1,257
Lease payments	76,680	1,173	16,004	93,857	31,068
Carrying amount at the end of the year	187,449	-	-	187,449	16,945

**Maturity analysis of future lease payments**

	<b>Poker Machine</b>	<b>Multiscreen system</b>	<b>POS system</b>	<b>Total</b>	<b>Total</b>
Not later than 1 year	92,016	-	-	92,016	17,178
Later than 1 year and not later than 5 years	107,352	-	-	107,352	-
<b>Lease payments</b>	199,368	-	-	199,368	17,178

**Accounting policy**

Lease assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, on a basis that is consistent with the expected pattern of consumption of the economic benefits embodied in the underlying asset.

Lease liabilities are measured at the present value of the remaining lease payments. Interest expense on lease liabilities is recognised in profit or loss. Variable lease payments not included in the measurement of lease liabilities are recognised as an expense in the period in which they are incurred.

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

At the commencement date of the lease, the lease liability is initially recognised for the present value of non-cancellable lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The weighted average incremental borrowing rate is 6%.

## Notes to the financial statements

For the year ended 30 June 2024

### 11 Leases (continued)

Lease assets are tested for impairment whenever events or circumstances indicate that the asset may be impaired.

#### Significant accounting estimates and judgements

The useful life of lease assets (where useful life is greater than the lease term) is initially assessed at the date the asset is ready for use and reassessed at each reporting date based on the use of the assets and the period over which economic benefits will be derived from the asset. There is uncertainty in relation to the assessment of the life of the asset including factors such as the rate of wear and tear and technical obsolescence. The estimates and judgements involved may impact the carrying value of the non-current assets and the depreciation and amortisation charges recorded in the statement of profit or loss and other comprehensive income should they change.

### 12 Deferred tax balances

	2024	2023
	\$	\$
<i>(i) Deferred tax assets</i>		
<b>The balance comprises temporary differences attributable to:</b>		
Provisions	25,765	25,790
Other	11,566	8,962
Carried forward tax losses	83,698	67,066
	<u>121,029</u>	<u>101,818</u>
<b>Movements</b>		
<b>At 1 July 2023</b>	101,818	-
(Charged)/credited to statement of profit or loss and other comprehensive income	19,211	101,818
<b>At 30 June 2024</b>	<u>121,029</u>	<u>101,818</u>
<i>(i) Deferred tax liabilities</i>		
<b>The balance comprises temporary differences attributable to:</b>		
Depreciation	149,069	156,495
Other	7,981	8,150
	<u>157,050</u>	<u>164,645</u>
<b>Movements</b>		
<b>At 1 July 2023</b>	(164,645)	-
(Charged)/credited to statement of comprehensive income	7,595	(164,645)
<b>At 30 June 2024</b>	<u>(157,050)</u>	<u>(164,645)</u>

#### Accounting policy

Deferred tax assets and liabilities are recognised for deductible and temporary differences where considered material. Deferred tax assets in respect of unused tax losses are only recognised to the extent it is probable that a taxable profit will be available against which deductible temporary differences and carried forward tax losses can be utilised if material.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability settled, based on the tax rates (and tax law) that have been enacted or substantively enacted at the statement of financial position date.

## Notes to the financial statements

For the year ended 30 June 2024

### 13 Trade and other payables

	2024	2023
	\$	\$
<b>Current</b>		
Trade payables	884,439	597,378
GST payable	99,315	105,513
	<u>983,754</u>	<u>702,891</u>

#### Accounting policy

Trade and other payables, including accruals, are non-interest bearing and are generally due for payment within 30 days of the invoice date.

### 14 Financial liabilities

#### Current

##### Secured

Bank loans (i)	- expected to be repaid within one year	420,000	420,000
	- expected to be repaid after one year	3,940,000	4,435,000
Other loans (ii)		408,763	422,093
Total secured financial liabilities		<u>4,768,763</u>	<u>5,277,093</u>

##### Unsecured

Loans from related parties		70,633	-
Total unsecured financial liabilities		<u>70,633</u>	<u>-</u>
		4,839,396	5,277,093

#### Non-current

##### Secured

Other loans (ii)		394,428	326,433
Total secured financial liabilities		<u>394,428</u>	<u>326,433</u>

##### (i) Secured liabilities

The bank loans and undrawn facilities are secured by the following:

- First Registered Mortgage over 50-58 Hanbury Street, Mayfield, NSW
- General security agreement over all present and after acquired property
- Specific security agreement over term deposit of \$2,020,000

The Company has unused facilities from the bank of \$518,878 relating to asset finance.

##### (ii) Other secured liabilities

The other loans are secured by a fixed charge over the specific assets that are financed.

#### Accounting policy

Financial liabilities are initially recognised at fair value, net of transaction costs incurred. Borrowing costs are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest rate method.

Financial liabilities are classified as non-current liabilities if the Company has right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period.

**Notes to the financial statements**

For the year ended 30 June 2024

**15 Provisions**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Employee entitlements (i) & (ii)	439,110	394,543
Other provisions	8,694	16,778
	<u>447,804</u>	<u>411,321</u>
<b>Non-current</b>		
Employee entitlements (ii)	11,264	9,195
	<u>11,264</u>	<u>9,195</u>

**Accounting policy****(i) Annual leave**

Liabilities for annual leave expected to be settled within 12 months of the reporting date, are recognised in the provision for employee benefits in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Any annual leave expected to be settled beyond 12 months of the reporting date is measured at the present value of expected future payments.

**(ii) Long service leave**

The liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage levels and period of service. Discount rates of the Australian bond rates matching the estimated future cash outflows have been used.

**16 Other liabilities****Current**

Contract liabilities - membership revenue	-	5,009
Contract liabilities - deposits held	62,900	62,900
Contract liabilities - commission revenue	83,431	137,169
	<u>146,331</u>	<u>205,078</u>

**Non-current**

Contract liabilities - membership revenue	-	16,936
	<u>-</u>	<u>16,936</u>

**Accounting policy**

Revenues received in advance are recorded as a contract liability if they are in relation to contracts with customers under AASB 15 and recognised as revenue when they are earned in future periods. Other revenue received in advance that is not covered by AASB 15 is recorded as other liabilities and is recognised as revenue when they are earned in future periods.

**17 Commitments****(i) Capital Commitments**

Rental property	1,998,000	1,998,000
	<u>1,998,000</u>	<u>1,998,000</u>

**18 Contingent liabilities**

Bank guarantee substituting for a security deposit for TAB facilities	<u>5,000</u>	<u>5,000</u>
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**Mortality Fund**

The Company conducts a mortality fund whereby each eligible member is entitled to have \$150 paid by the Company to his/her estate upon his/her death. No liability for this has been recognised in the financial statements, however at 30 June 2024 the Company's contingent commitment was \$11,250 (75 members) (2023: 84 members \$12,600). Payments to members are taken up as an expense in the year in which the payments are made.



**Notes to the financial statements**

For the year ended 30 June 2024

	2024	2023
	\$	\$

**19 Related parties**

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

(a) *Key management personnel compensation*

Total key management personnel benefits	366,348	251,739
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(b) *Transactions with other related parties*

A former employee, Greg Luck, provided an unsecured loan of \$70,633 to the Company during the year.

**20 Remuneration of auditors**

*Auditor of the company*

Audit of the financial statements	26,300	25,300
Other services - taxation compliance	4,700	4,700
Other services - consulting	14,870	13,940
Other services - stocktaking	1,500	-
	47,370	43,940

Mayfield Ex Services Club Limited

## **Consolidated entity disclosure statement**

For the year ended 30 June 2024

Mayfield Ex Services Club Limited is not required by Australian Accounting Standards to prepare consolidated financial statements.

Accordingly, in accordance with subsection 295 (3A) of the Corporations Act 2001, no further information is required to be disclosed in this consolidated entity disclosure statement.

# Directors' declaration

## In the Directors' opinion:

- the financial statements, notes and consolidated entity disclosure statement set out on pages **13 to 28** are in accordance with the
- (a) Corporations Act 2001, including:
- (i) Complying with Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its performance for the financial year ended on that date
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) The consolidated entity disclosure statement required by subsection 295 (3A) of the Corporations Act 2001 is true and correct.

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



Damien Horan - Director



Darryl Kerr - Director

Dated: 27 August 2024  
Mayfield, NSW

## **Independent auditor's report to the members of Mayfield Ex Services Club Limited**

### **Opinion**

We have audited the financial report of Mayfield Ex Services Club Limited (the Company) which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements, including a summary of material accounting policies, the consolidated entity disclosure statement, and the Directors' declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

### **Basis for opinion**

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

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

### **Material uncertainty related to going concern**

We draw attention to Note 1(e) in the financial report, which indicates that the Company has a working capital deficiency of \$4,057,080 at year end, has breached a loan covenant, and the Company's loan facility is expiring within 12 months. As stated in Note 1(e), these events or conditions, along with other matters set forth in Note 1(d), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

### **Matters relating to the electronic presentation of the audited financial report**

The auditor's report relates to the financial report of the Company for the year ended 30 June 2024 included on the Company's web site. The Company's Directors are responsible for the integrity of the Company's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

**Responsibilities of the Directors for the financial report**

The directors of the Company are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the Company; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001; and

for such internal control as the directors determine is necessary to enable the preparation of:

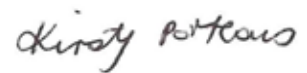
- (i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or

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.

**Auditor's responsibilities for the audit of the financial report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our audit report.



Kirsty Porteous - Partner



Pitcher Partners NH Partnership  
Chartered Accountants

27 August 2024

Newcastle West, NSW

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