

# **Barrier Social Democratic Club Ltd**

**ABN 14 001 031 287**

**Financial Statements - 30 June 2023**

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**Barrier Social Democratic Club Ltd**  
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**For the year ended 30 June 2023**

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**Barrier Social Democratic Club Ltd**  
**Directors' report**  
**For the year ended 30 June 2023**

The directors present their report, together with the financial statements, on the Company for the year ended 30 June 2023.

**Directors**

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

Shane Chapman	President, Self Employed Poker Machine Technician. Joined the Board in 2007.
Lisa Darley	Vice President, Ambulance Inspector. Joined the Board on 23 February 2021.
Coral Ford	Director, Retired. Resigned from the Board 26 <sup>th</sup> November 2022.
Geoffrey Cullenward	Director, Retired. Passed Away March 2023.
Laura Camilleri	Director, Retired. Joined the Board on 26 <sup>th</sup> November 2022.
Noeline Ratcliff	Director, TAFE Services Coordinator. Joined the Board on 30 November 2021.
Gerald	Director, IT Consultant. Joined the Board on 30 November 2021.
VanDenHeuvel	
Mark Grose	Director, Miner. Joined the Board on 8 February 2022.

**Principal activities**

The principal activity of Barrier Social Democratic Club Ltd during the financial year was the provision of food, beverage and entertainment facilities to the members and the community of Broken Hill and the Far West Region.

These principal activities assist in achieving the short term and long term objectives of the Club by:

- Providing facilities for the members;
- Providing turnover, cash flow and surplus to meet the financial objectives of the Club; and
- Provide our employees with the safest workplace and the ability to achieve the best training and development outcomes.

**Review of operations**

The profit for the Company after providing for income tax amounted to \$155,637 (30 June 2022: \$400,951).

**Short term objectives**

The Club's short term objectives are to:

- Provide the best members facilities and service in the Far West Region;
- To meet all financial obligations and provide the members with a profitable club; and
- To become an Employer of Choice providing a safe and healthy facility that offers training and development to all staff.

**Long term objectives**

The Club's long term objectives are to:

- Increase the awareness of the Club and the Broken Hill region;
- Maintain the financial security of the Club;
- Provide for future development and growth in accordance with the needs of members; and
- Maintain and upgrade the capital equipment and buildings.

**Strategy for achieving the objectives**

To achieve these objectives, the Club has adopted the following strategies:

- A detailed Strategic Plan that provides direction for future renovations and development of Club facilities and to identify the opportunities and strengths of the Club to provide sustainable hospitality services in the Far West Region;
- The preparation of an annual budget for financial performance indicators and regular reviews; and
- Engage members to identify and plan for future development based on the needs of the members and the community.

**How principal activities assisted in achieving the objectives**

The principal activities assisted the Club in achieving its objectives by:

**Barrier Social Democratic Club Ltd**  
**Directors' report**  
**For the year ended 30 June 2023**

- Providing facilities for the members;
- Providing turnover, cash flow and surplus to meet the financial objectives of the Club; and
- Provide our employees with the safest workplace and the ability to achieve the best training and development outcome.

**Performance measures**

The following measures are used within the Club to monitor performance:

- Membership for the year was 8,236; and
- The Club has complied with all Government legislation with reviewed being conducted regularly both internally and externally.

**Membership details**

Barrier Social Democratic Club Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$5 subject to the provisions of the Company's constitution.

As at 30 June 2023 the collective liability of members was \$41,180 (2022: \$36,925).

Membership Class	Number of Members	Individual Members	Total Members
		Contribution on winding up of the Company \$	Contribution on winding up of the Company \$
Ordinary Members	1,016	5	5,080
3 Year Members	7,151	5	35,755
Life Members	36	5	180
Kids Members	33	5	165
	<u>8,236</u>	<u>20</u>	<u>41,180</u>

**Meetings of directors**

There were 12 meetings of directors held during the year ended 30 June 2023.


**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 5 of the financial report.

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

On behalf of the directors

  
 Shane Chapman  
 President

  
 Lisa Darley  
 Vice President

13 October 2023

**Barrier Social Democratic Club Ltd**  
**Auditor's independence declaration**

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**Barrier Social Democratic Club Ltd**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2023**

	<b>Note</b>	<b>2023</b> \$	<b>2022</b> \$
<b>Revenue</b>			
Revenue	4	8,866,734	8,209,324
<b>Expenses</b>			
Cost of sales		(1,897,273)	(1,520,731)
Employee benefits expense	5	(2,896,123)	(2,727,079)
Finance costs		(239,841)	(162,474)
Depreciation and amortisation expense		(689,545)	(676,692)
Poker machine expense		(1,067,672)	(897,939)
Other expenses		(1,920,643)	(1,823,458)
<b>Profit before income tax expense</b>		155,637	400,951
Income tax expense		-	-
<b>Profit after income tax expense for the year</b>		155,637	400,951
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<u>155,637</u>	<u>400,951</u>

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

**Barrier Social Democratic Club Ltd**  
**Statement of financial position**  
**As at 30 June 2023**

	<b>Note</b>	<b>2023</b> <b>\$</b>	<b>2022</b> <b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	737,035	979,226
Trade and other receivables	7	52,330	76,192
Inventories	8	61,977	93,836
Other assets	9	34,545	34,545
Total current assets		<u>885,887</u>	<u>1,183,799</u>
<b>Non-current assets</b>			
Property, plant and equipment	10	8,526,057	8,687,247
Investments		1,580	1,580
Intangible assets	11	757,564	757,564
Total non-current assets		<u>9,285,201</u>	<u>9,446,391</u>
<b>Total assets</b>		<u>10,171,088</u>	<u>10,630,190</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	563,604	664,524
Borrowings	13	951,629	741,113
Employee benefits	14	393,050	739,230
Total current liabilities		<u>1,908,283</u>	<u>2,134,867</u>
<b>Non-current liabilities</b>			
Borrowings	13	4,176,066	4,564,221
Total non-current liabilities		<u>4,176,066</u>	<u>4,564,221</u>
<b>Total liabilities</b>		<u>6,084,349</u>	<u>6,699,088</u>
<b>Net assets</b>		<u>4,086,739</u>	<u>3,931,102</u>
<b>Equity</b>			
Retained profits		<u>4,086,739</u>	<u>3,931,102</u>
<b>Total equity</b>		<u>4,086,739</u>	<u>3,931,102</u>

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

**Barrier Social Democratic Club Ltd**  
**Statement of changes in equity**  
**For the year ended 30 June 2023**

	<b>Retained profits \$</b>	<b>Total equity \$</b>
Balance at 1 July 2021	3,530,151	3,530,151
Profit after income tax expense for the year	400,951	400,951
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	<u>400,951</u>	<u>400,951</u>
Balance at 30 June 2022	<u>3,931,102</u>	<u>3,931,102</u>
	<b>Retained profits \$</b>	<b>Total equity \$</b>
Balance at 1 July 2022	3,931,102	3,931,102
Profit after income tax expense for the year	155,637	155,637
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	<u>155,637</u>	<u>155,637</u>
Balance at 30 June 2023	<u>4,086,739</u>	<u>4,086,739</u>

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



**Barrier Social Democratic Club Ltd**  
**Statement of cash flows**  
**For the year ended 30 June 2023**

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers and members		9,771,361	8,667,519
Receipts from Government grants and funding		-	293,081
Payments to suppliers and employees		(8,697,555)	(8,238,154)
Interest received		1,270	708
Interest paid		(239,841)	(162,474)
Net cash from operating activities		<u>835,235</u>	<u>560,680</u>
<b>Cash flows from investing activities</b>			
Payments for investments		-	(342)
Payments for property, plant and equipment		(550,137)	(491,890)
Proceeds from disposal of property, plant and equipment		<u>91,612</u>	<u>-</u>
Net cash used in investing activities		<u>(458,525)</u>	<u>(492,232)</u>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		<u>(618,901)</u>	<u>(412,719)</u>
Net cash used in financing activities		<u>(618,901)</u>	<u>(412,719)</u>
Net decrease in cash and cash equivalents		(242,191)	(344,271)
Cash and cash equivalents at the beginning of the financial year		<u>979,226</u>	<u>1,323,497</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>737,035</u></u>	<u><u>979,226</u></u>

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

**Barrier Social Democratic Club Ltd**  
**Notes to the financial statements**  
**For the year ended 30 June 2023**

**Note 1. General information**

The financial statements cover Barrier Social Democratic Club Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Barrier Social Democratic Club Ltd's functional and presentation currency.

Barrier Social Democratic Club Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

218 Argent Street  
Broken Hill NSW 2880

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 13 October 2023. The directors have the power to amend and reissue the financial statements.

**Note 2. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Going concern**

As at 30 June 2023 the Club's current liabilities exceeded its current assets by \$1,022,396 (2022: \$951,068).

In December 2021 the Club renegotiated the finance facility with the Commonwealth Bank of Australia for a 3 year term ending 29 November 2024. The Directors believe that the Club can continue as a going concern given the continued support received from the financier.

As at the date of this report, the Directors are satisfied that there are reasonable grounds to believe the Club will meet its obligations as and when they fall due. More specifically:

- The Club has prepared a five year forecast which demonstrates its ability to manage the debts incurred from the renovations through cash flows generated from the Club. The renovations undertaken included additional revenue generating segments to the business including more poker machine facilities and a modern function centre; and
- As at the date of this report, revenues and cash flows generated remain strong and in line with the forecasts utilised to service the debts incurred. The Club is currently servicing all obligations in line with agreed terms.

**Basis of preparation**

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities.

*Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

**Note 2. Significant accounting policies (continued)**

**Revenue recognition**

The Company recognises revenue as follows:

*Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

*Specific revenue streams*

The revenue recognition policies for the principal revenue streams of the Company are:

*Revenue from goods transferred and services rendered*

Revenue is recognised on the transfer of the good or service to the customer.

*Interest*

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

*Poker machine revenue*

Poker machine revenue is recognised on receipt of funds net any pay outs.

**Income tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

**Note 2. Significant accounting policies (continued)**

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

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

**Cash and cash equivalents**

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

**Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

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

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

**Inventories**

Inventories is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

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

**Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

*Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the Company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

*Impairment of financial assets*

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

**Barrier Social Democratic Club Ltd**  
**Notes to the financial statements**  
**For the year ended 30 June 2023**

**Note 2. Significant accounting policies (continued)**

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

**Property, plant and equipment**

Land and buildings are measured at cost, less, where applicable, accumulated depreciation and any impairment losses. In the event the carrying amount of land and buildings is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised in profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Buildings	2.5 - 100.0%
Plant and equipment	10.0 - 100.0%
Leased plant and equipment	10.0 - 100.0%

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

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

**Intangible assets**

Intangible assets consists of gaming entitlements. These are initially measured at cost at date of acquisition. Thereafter, it is carried at cost less any impairment losses.

The intangible assets are assessed as having an indefinite useful life and are assessed annually for impairment. This assessment is due to the fact that the gaming entitlement continues even if the gaming machine on which it was initially used is disposed of or no longer in used.

Prior to 1 July 2004, the Directors considered that an active market did exist for gaming licences in the region and the dollar value of poker machine licences to the Club in an open and unbiased market is not able to be determined. An intangible asset for licences on hand at 1 July 2004 has therefore not been recognised in the Club's statement of financial position. Any gaming licences received as part of a business combination are not allocated a value.

**Impairment of non-financial assets**

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

**Barrier Social Democratic Club Ltd**  
**Notes to the financial statements**  
**For the year ended 30 June 2023**

**Note 2. Significant accounting policies (continued)**

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

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**Borrowings**

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

**Finance costs**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

**Employee benefits**

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

*Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

**Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

**Barrier Social Democratic Club Ltd**  
**Notes to the financial statements**  
**For the year ended 30 June 2023**

**Note 2. Significant accounting policies (continued)**

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

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

**Note 3. Critical accounting judgements, estimates and assumptions**

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

*Estimation of useful lives of assets*

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

*Income tax*

The Company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on the Company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

*Employee benefits provision*

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

**Note 4. Revenue**

	2023 \$	2022 \$
Sale of goods	3,080,927	2,428,792
Gaming net return	5,295,722	4,824,243
Commission earned	237,455	270,060
Member subscriptions	35,976	103,209
Interest received	1,270	708
Other revenue	215,384	289,231
Government grants	-	293,081
	<u>8,866,734</u>	<u>8,209,324</u>

**Barrier Social Democratic Club Ltd**  
**Notes to the financial statements**  
**For the year ended 30 June 2023**

**Note 5. Employee benefits expense**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Salaries and wages	2,455,045	2,402,673
Superannuation	257,312	220,938
Workers compensation	105,296	77,687
Payroll tax	78,470	25,781
	<u>2,896,123</u>	<u>2,727,079</u>

**Note 6. Cash and cash equivalents**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Cash on hand	318,120	271,210
Cash at bank	405,715	708,016
Cash on deposit	13,200	-
	<u>737,035</u>	<u>979,226</u>

**Note 7. Trade and other receivables**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Trade receivables	19,314	31,593
Deposits	1,750	1,750
Other receivables	31,266	42,849
	<u>52,330</u>	<u>76,192</u>

**Note 8. Inventories**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Inventory - at cost	<u>61,977</u>	<u>93,836</u>

**Note 9. Other assets**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Prepayments	<u>34,545</u>	<u>34,545</u>



**Barrier Social Democratic Club Ltd**  
**Notes to the financial statements**  
**For the year ended 30 June 2023**

**Note 10. Property, plant and equipment**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Land and buildings - at cost	10,711,485	10,938,641
Less: Accumulated depreciation	<u>(3,157,478)</u>	<u>(3,169,101)</u>
	<u>7,554,007</u>	<u>7,769,540</u>
Plant and equipment - at cost	4,964,326	2,997,225
Less: Accumulated depreciation	<u>(4,284,578)</u>	<u>(2,241,817)</u>
	<u>679,748</u>	<u>755,408</u>
Leased plant and equipment - at cost	533,166	2,569,733
Less: Accumulated depreciation	<u>(240,864)</u>	<u>(2,407,434)</u>
	<u>292,302</u>	<u>162,299</u>
	<u><u>8,526,057</u></u>	<u><u>8,687,247</u></u>

*Reconciliations*

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

	Land and Buildings \$	Plant and Equipment \$	Leased Plant and Equipment \$	Total \$
Balance at 1 July 2022	7,769,540	755,408	162,299	8,687,247
Additions	-	294,733	255,404	550,137
Disposals	-	-	(21,782)	(21,782)
Depreciation expense	<u>(215,533)</u>	<u>(370,393)</u>	<u>(103,619)</u>	<u>(689,545)</u>
Balance at 30 June 2023	<u><u>7,554,007</u></u>	<u><u>679,748</u></u>	<u><u>292,302</u></u>	<u><u>8,526,057</u></u>

**Note 11. Intangible assets**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Gaming entitlements - at cost	<u>757,564</u>	<u>757,564</u>

**Note 12. Trade and other payables**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Trade payables	154,179	223,263
Accrued expenses	96,910	159,231
Amounts received in advance	44,376	43,489
GST payable	136,228	154,794
Other payables	<u>131,911</u>	<u>73,747</u>
	<u><u>563,604</u></u>	<u><u>654,524</u></u>

**Barrier Social Democratic Club Ltd**  
**Notes to the financial statements**  
**For the year ended 30 June 2023**

**Note 13. Borrowings**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Bank loan	787,641	639,550
Loan - licenses & machines	163,988	101,563
	<u>951,629</u>	<u>741,113</u>
<i>Non-current liabilities</i>		
Bank loans	3,898,792	4,458,940
Loan - licenses & machines	277,274	105,281
	<u>4,176,066</u>	<u>4,564,221</u>

The security consists of first registered equitable mortgage by Barrier Social Democratic Club Ltd over whole of its asset(s) and undertaking(s) including uncalled capital a first registered mortgage by Barrier Social Democratic Club Ltd over non resident real property located at 218 and Shop 2/220 Argent Street Broken Hill NSW 2880. Leased liabilities are secured by the underlying leased assets

**Note 14. Employee benefits**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Annual leave	196,159	278,381
Long service leave	196,262	459,699
Other employee benefits	629	1,150
	<u>393,050</u>	<u>739,230</u>

**Note 15. Key management personnel disclosures**

*Compensation*

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

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Aggregate compensation	<u>269,844</u>	<u>309,983</u>

**Barrier Social Democratic Club Ltd**  
**Notes to the financial statements**  
**For the year ended 30 June 2023**

**Note 16. Remuneration of auditors**

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

	2023 \$	2022 \$
<i>Audit services -</i>		
Audit of the financial statements	18,400	17,200
<i>Other services -</i>		
Preparation of the tax return	-	4,900
Preparation of the FBT return	2,860	2,550
	2,860	7,450
	21,260	24,650

**Note 17. Related party transactions**

*Key management personnel*

Disclosures relating to key management personnel are set out in note 15.

*Transactions with related parties*

There were no transactions with related parties during the current and previous financial year.

*Receivable from and payable to related parties*

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

*Loans to/from related parties*

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

**Note 18. Contingencies**

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2023 (30 June 2022: None).

**Note 19. Events after the reporting period**

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

**Note 20. Member's guarantee**

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 \$5 each towards meeting any outstandings and obligations of the Company. At 30 June 2023 the number of members was 8,236 (2022: 7,385).

**Barrier Social Democratic Club Ltd**  
**Directors' declaration**  
**For the year ended 30 June 2023**

In the directors' opinion:

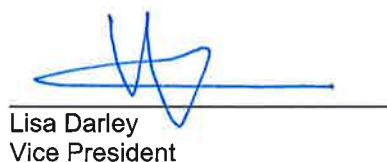
- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



Shane Chapman  
President



Lisa Darley  
Vice President

13 October 2023

**Barrier Social Democratic Club Ltd**  
**Independent auditor's report to the members of Barrier Social Democratic Club Ltd**

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**Barrier Social Democratic Club Ltd**  
**Independent auditor's report to the members of Barrier Social Democratic Club Ltd**

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