



2021 ANNUAL REPORT

BALGOWLAH RSL MEMORIAL CLUB



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ACN 001 074 184

2021 ANNUAL REPORT

Directory

Registered Office	30-38 Ethel St, Seaforth, NSW 2092
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Telephone	02 9949 5477
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Website	www.balgowlahrls.com.au
Email	info@balgowlahrls.com.au

Board of Directors

President	Des McAteer
Senior Vice President	Bob Paterson
Junior Vice President	Graham Stone
Treasurer	Stephen Brown
Director	John Garland
Director	Bryan Renshaw
Director	William David O'Brien

Management

Chief Executive Officer	Hendrik Visser
Food & Beverage Manager	Lawson Job

Auditor of Accounts

CABEL Partners, 1 James Place, North Sydney.

Solicitors

Pigott Stinson, 10 Barrack St, Sydney

Bankers

Australia and New Zealand Banking Group Limited

Affiliation

Clubs NSW

Club Directors Institute

Clubs NSW Clubsafe

Lifeline Balgowlah

PRESIDENTS REPORT 2021



Greetings Members,

On behalf of your Board of Directors, I present our Annual Report for the year ending 31st December 2021.

After a very challenging year in 2020 we faced an even more challenging year in 2021. In 2020

we were closed for a total of 12 weeks and in 2021 we were closed for a total of 17 weeks and only received about 28% of the Government financial support that we received in 2020, even though we were closed for 5 weeks longer. In the lead up to the forced closures and in the early reopening periods, patronage and revenue reduced heavily in our Club as people have been hesitant to venture out to avoid catching the virus.

Our Club strives to be a safe venue to visit and our Vaccination Policy for Staff, Members and Guests as a condition of entry demonstrates this. The Policy will be reviewed when we think it is safe to do so.

During the time we were closed, we were able to keep our core staff employed doing various things around the Club. These include the very successful takeaway Margaritas, takeaway Coffee and Cakes and Hamburgers. The Cafe was recreated into La Margarita serving Mexican food and Cocktails as well as Coffee and Cakes.

We have set in motion plans for an Outdoor Dining offering and a Gaming Room reconfiguration as well as all the things that still have to be done even when the Club was virtually closed.

As you will see in the Treasurers Report all of the above factors contributed to posting a loss for 2021 of (\$160,736) after tax compared to a profit in 2020 of \$600,070 after tax.

Although it was a very difficult year for our Club, we were still able to donate \$92,666 to 30 Community Groups and still be in a strong Cashflow position at Years end.

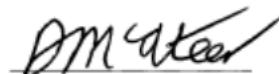
In 2021 our Catering Department excelled again with The Wine Room runners up in the Perfect Plate Awards for our Wine Room Lamb dish and third place for Bayshores Bistro with the Salmon dish. This competition was run by Clubs NSW with many Clubs competing across the state. Congratulations to Shane and all your team.

I would like to thank the Board for all their efforts and commitment this past challenging year. I would like to personally thank Bob Paterson for his 10 years commitment to the Board. Bob has been Treasurer, Senior Vice President and President of our Club over the past 10 years. His immense Business experience has been of great assistance.

I would also like to thank our CEO Hendrik Visser, 2IC Food & Beverage Manager Lawson Job, Executive Chef Shane Rider and all our amazing staff for your efforts in this past year of major challenges. You all contributed to keeping the Club operating in the face of adversity.

This past year we have lost many Friends and Family at our Club without being able to say goodbye properly due to the restrictions caused by the Pandemic. I offer my condolences to all of you who have lost loved ones and to those who are unwell my best wishes that you will have a quick recovery.

I thank you all for having me as your President again in 2021 and thank you for supporting your Club over the past year and into the years ahead.



Des McAteer
President

TREASURERS REPORT 2021



I present the Balgowlah RSL Memorial Club Financial Statements which outline the financial position of the Club for the 2021 year, together with a comparison of the key business unit results for 2020.

The following Club Business Unit performance is summarized as follows:

Total Club Operations

Total Income \$9,108,151 (down 17.7% on 2020 \$11,061,882)

Other Income \$879,118, (\$859,162 down on 2020 \$1,738,280 due to COVID/Jobkeeper receipts dropping to \$340,158 (2020 \$1,219,000)

Loss before tax (\$201,826) (down \$808,780 on 2020 Profit \$606,955)

Club Operations

Beverage Department

Total Income \$1,634,339 (down 7.4% on 2020 \$1,764,486)

Total Profit \$536,329 (down 5.4% on 2020 \$567,127)

Catering Department

Total Income \$1,788,919 (up 1.8% on 2020 \$1,756,641)

Loss (\$72,373) (down 79% on 2020 loss \$338,564)

Wages were 17.8% lower and the GP% was slightly better up from 59% to 60%

Gaming Department

Income \$4,805,774 (down 17% on 2020 \$5,802,474)

Profit \$2,685,461 (down 17% on 2020 \$3,239,467)

Cash Position in Balance Sheet \$1,678,483 (up 10.5% on 2020 \$1,519,136)

ANZ loan balance of \$300K at December 2020 was repaid by end of March 2021.

A handwritten signature in black ink, appearing to read "Stephen H Brown".

Stephen H Brown
Treasurer

CEO REPORT 2021

Dear Members,

We have come through another traumatic year of COVID restrictions and concerns. After being closed down three times in 2021, for a total of 17 weeks, it is pleasing that Members are coming back to the Club and we are still here to welcome them.

We have done our best to maintain a COVID Safe environment for Members and our Employees. COVID isolation has affected many employees in December but, thankfully, all employees are back at work and we seem to be in good shape again.

This year's financial results are detailed in the Treasurer's Report. Being closed for four months has had an enormous impact on our finances and we have finished the year with an after tax loss (\$160,736). This is never a good thing but under the circumstances, it's a reasonable result.

During the four months shutdown, employees who were able to help came in to produce takeaway coffees, cakes, hamburgers and cocktails. The jars of Margaritas were a huge hit throughout Seaforth with cars queuing up to collect the evening cocktails. The success of the margarita sales inspired us to convert the coffee shop into 'La Margarita' restaurant. It's still a coffee shop by day and a Mexican restaurant at night.

The Club has maintained its community donations during this difficult period, donating \$92,666 to over 30 local recipients including charities like 'Fighting Chance' providing employment for the disabled; Dalwood Spilstead kindergarten for local kids from damaged home lives; Community Northern Beaches supporting women's health services; Queenscliff SLSC and North Steyne SLSC for their nippers programs; Junior sports groups and local schools.

We all hope that the impact of the pandemic will reduce soon, so that we can all get on with life.

I would like to thank the Club Directors and the entire 'Team Balgowlah' for all their hard work through this challenging period. Special mention goes to Lawson, Shane, Maya, and Nicki for their dedication to the Club throughout 2021.

In this, my 25th Year at Balgowlah RSL, I am celebrating the wonderful ride through good times and the tough times. I am honoured to have made such great friends among the Board, Members and my many employees over all those years and my wonderful current team of friends below:

The Management Team:

Chief Executive Officer	Hendrik Visser
2IC, Food & Beverage Manager	Lawson Job
Executive Chef	Shane Rider
Marketing & Community Manager	Maya Frost
Duty Managers	Nicki Cresswell Justin Uren Daniel McCart Mitchell Delezio
Accounts	Annika Menke
Administration	Jennifer Hatton
Payroll	Jackie Frawley
Function Coordinator	Charlie Pope

On behalf of all our Team of 90 employees, we look forward to welcoming Members to come and enjoy your great Club again in 2022.



Hendrik Visser
Chief Executive Officer

MINUTES OF 48TH ANNUAL GENERAL MEETING 19 APRIL 2021

The Meeting commenced at 7:03pm

PRESENT – 26 Members were present including 10 Class 1 Members and 16 General Members

BUSINESS

1. Housekeeping: President Des McAteer opening the meeting by welcoming Members and the two guests, Stuart Cameron and Ray Kahlil from the Club auditing firm, Cabel Partners.
Apologies. There were four apologies: Dennis Moran #1217; Janice Moran #3765; Mervin Carruthers #1024; Tom Miles #4964.
2. Business Arising from the Minutes: Nil.
3. Motion to receive, consider and adopt the Directors' Report and Directors' Statement for the year ended 31 December 2020.
MOVED DIANNE TRAVELLER #1347; SECONDED MONICA ARDILL #2626. MOTION CARRIED.
4. Motion to receive, consider and adopt the Profit & Loss Account, Balance Sheet, Statement of Cash Flows and Auditor's Report for the year ended 31 December 2020.
MOVED DIANNE TRAVELLER #1347; SECONDED GRANT TUCKER #2554. MOTION CARRIED.

5. Ordinary Resolutions

That until the next Annual General Meeting and in pursuance of the Registered Clubs Act, the members approve the provision of the following rights and benefits to directors and such persons as from time to time the directors shall authorise or approve:

- a) The provision to Directors of club tie, shirt and other clothing; attendance at conferences and training in relation to their roles and responsibilities as directors; food and refreshments at the conclusion of Board meetings; premium for Directors and Officers insurance cover and reasonable out of pocket expenses incurred when carrying out duties in relation to the Club, and
- b) The payment of director honorariums to be allocated as follows:
 - i. President honorarium \$4,800 per annum
 - ii. Treasurer honorarium \$4,800 per annum
 - iii. All other Directors honorarium \$2,400 per annum.

MOTION TO APPROVE THE ORDINARY RESOLUTION TO BE TAKEN AS READ.

MOVED DIANNE TRAVELLER #1347; SECONDED ARTHUR BALL #7618. MOTION CARRIED.

7. Fifty Year Members

The Board of Directors recognized the following Members who have achieved over fifty years of Club membership and are no longer required to pay membership fees. Mr Ross was in attendance but Mr Bourke was unable to attend.

- Mr John Ross; Member 982; Joined the Club in 1970.
- Mr Ronald (Tom) Bourke; Member 1028; joined the Club in 1970.

8. Other Business

Barbara Mosely #2261

- I. "The courtesy bus should be running. COVID is finished and the Club should run the bus because it is losing many members".

Mr McAteer responded saying, that as soon as the 1 person per 2sqm rule is relaxed, the bus will be reinstated.

- II. "The Club website is out of date. Who updates it? It still shows that the Club runs a courtesy bus. It doesn't". CEO advised that he would check.

- III. "Why are you directors never in the Club. Only John Garland is in the Club every day?"

Mr McAteer responded saying that he and others are in the Club every week. CEO advised Ms Mosely, "The Directors are in the Club numerous times every week and they work very hard for the Club. I think the comment is uncalled for."

Sandra Walker #8890

Thanked the Club Board and Management for the support and friendship offered to the 1st Seaforth Scouts.

Peter Fennel #9743

Request that live entertainment, dancing and club shows be reinstated since COVID is finished.

President McAteer stated, "This will be addressed at the next Board Meeting".

CEO stated, "COVID is not over. The recent Christmas lockdown was caused in a local RSL club and I do not want this club to be the next COVID outbreak. We will make these decisions very carefully and slowly, following the Public Health Orders".

Dianne Traveller #1347

"I would like to thank the Board and Management for the support for the RSL Sub Branch"

Barry Smith #303

"I would like to thank the Club for its support of the Manly Swimming Club. It is one of the oldest sporting clubs in the area".

Gary Fox #3944

"I would like to thank The Board and Management for many years of support for Queenscliff SLSC. We see the Directors in the Club and at our events all the time".

President Des McAteer

President McAteer thanked the CEO for achieving 20 years as Chief Executive Officer for the Club.

"The Club has been through some tough times in 2020, having to close the Club on March 23rd and laying off 90 employees, to the reopening in June and gradually building business through the second half of 2020, only to be hit with another closure in December just before Christmas. I am so proud of the Club's management and the Board for holding the Club together and coming out of this in good shape".

CLOSE

There being no further business, the meeting closed at 7:23pm and Members were invited to The Gold Bar for some refreshments.

COMMUNITY SUPPORT PROGRAM

Balgowlah RSL has always considered supporting the community a priority. The Club is proud to have continued its dedication to the community even while facing the many challenges that COVID has brought to the business.

In 2021 the Clubs in-kind and cash donations have totalled \$92,666 to over 30 local charities and organizations. Support to these groups is crucial as they are integral to providing support to many areas of our community such as mental and physical health, domestic violence, seniors, junior sport and development, education, assistance to vulnerable people and so much more. We encourage all our members to reach out to any of the amazing organizations below as you may benefit from their services.

The challenges of this year has brought our focus onto the needs of mental health in our community as it touches all of us in some way. The Club's support has ranged from donations from the Club, members participating in fundraisers, social campaigns, and access to Mental Health courses for our members.

The Club continues to support our community in whatever form necessary in the future and we welcome new charities and organizations to reach out to us as we will always do our best to assist where possible.

Thank you for the ongoing support from our Members, the organizations, our CEO and the Board of Directors, without whom the Club would not be able to provide this community support.



Maya Frost
Community Liaison

CLUB GRANTS RECIPIENTS 2021

Category 1

Balgowlah Rotary Club
Balgowlah-Seaforth-Clontarf RSL Sub Branch
Balgowlah-Seaforth-Clontarf Women's Auxiliary
Community Northern Beaches Inc.
Dalwood Spilstead Centre
Diabetes NSW & ACT
Fighting Chance Australia
Legacy Club Services
Lions Club of Balgowlah
Lions Club of Manly
NBSC Balgowlah Boys Campus
North Steyne SLSC
Queenscliff SLSC
Australian Red Cross Society
St Vincent De Paul Society
Wounded Heroes Association

Category 2

1st Seaforth Scouts
Balgowlah Heights Public School
Balgowlah RSL Fishing Club
Balgowlah RSL Toastmasters
Clontarf Precinct Committee
Manly Allambie Ladies Soccer
Manly Central Probus Club
Manly Diggers Swimming Club
Manly Seasiders Baseball Club
Parkinsons Support Group
Seaforth Football Club
Seaforth Public School
St Cecilia's Catholic School

BALGOWLAH RSL MEMORIAL CLUB
ABN 92 001 074 184

FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

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DIRECTORS' REPORT

The Directors of Balgowlah RSL Memorial Club submit herewith the Financial Report of the company for the year ended 31 December 2021 and report as follows:

1. Board of Directors

The names and particulars of the Directors of the company in office at the date of this report are:

Name	Qualifications	Years as a Director of This Club	Special Responsibilities
J.T.D McAteer	Manager	18	President
R.J. Paterson FAIM, F FIN, JP	Retired Human Resources Executive	10	Senior Vice President
G Stone	Teacher TAFE NSW and retired Health Service Manager, NSW Health	5	Junior Vice President
S H Brown	Retired Financial Controller	6	Treasurer
J W Garland	Company Director	5	Director
B Renshaw	Retired Customs Officer	14	Director
W D O'Brien	Retired manager	7	Director

2. Board Meetings

The number of Board meetings and number of meetings attended by each of the Directors of the company during the 2020 Financial year are:

Director	Number of Board Meetings Held*	Number of Board Meetings Attended
J.T.D McAteer	17	17
R.J. Paterson	17	16
G Stone	17	17
S H Brown	17	17
J W Garland	17	17
B Renshaw	17	17
W D O'Brien	17	17

*Reflects the number of Board meetings held during the time the Director held office.

3. Activities

The principal activity of the company during the year ended 31 December 2021 was Registered Club.

There was no change in the principal activity during the year.

4. Results

The loss for the year after providing for income tax for the year ended 31 December 2021 was \$(160,736).

5. Dividends

The company has no provisions in its Constitution for the payment of dividends.

6. Review of Operations

The company made a loss after taxation of \$160,736 compared with a profit of \$600,069 in 2020. Please note:

- There was a decrease in Government Covid-19 Support Payments of \$878,842 from 2020. Government Subsidies for 2021 were \$340,158 (2020: \$1,219,000);
- There was a decrease in revenue of \$1,861,245 from 2020. Revenue for 2021 was \$8,674,983 (2020: \$10,536,228); and
- There was a decrease in expenses of \$1,052,467. Expenditure for 2021 was \$8,876,808 (2020: \$9,929,275).

7. Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the company for the year.

8. Matters subsequent to the end of the Financial Year

The Company has initiated strict policies and procedures to address the health and wellbeing of employees, members, consultants and contractors during the COVID-19 Pandemic. The timing and extent of the impact and recovery from COVID-19 is not yet known. However, these events may continue to have a post balance date impact with the Omicron outbreak.

At the date of this report and in financial years subsequent to 31 December 2021, there are no other matters or circumstances which have arisen since 31 December 2021 that have significantly affected or may significantly affect:

- (i) the operations of the company;
- (ii) the results of those operations; or
- (iii) the state of affairs of the company.

9. Future Developments

The company will continue to pursue its principal activities. It is not expected that the results in future years will be adversely affected by the continuation of these operations.

10. Indemnification of Directors and Officers

The company has provided for and paid premiums during the year for Directors and Officers liability insurance. The insurance is in respect of legal liability for damages and legal costs arising from claims made by reason of any omissions or acts (other than dishonesty) by them, whilst acting in their individual or collective capacity as Directors or Officers of the company.

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of Director's and Officers' liability and legal expenses contract as such disclosure is prohibited under the terms of the contract.

11. Proceedings on Behalf of the Company

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

12. Auditor's Independence Declaration

CABEL Partners continues in office in accordance with Section 327 of the Corporations Law. A copy of the Auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is included in the financial report.

13. Environmental Regulations

The company's operations are subject to various regulations under both Commonwealth and State legislation. The Directors are not aware of any significant breaches of legislation during this financial year.

14. Club Membership

	2021	2020
Life Members	3	4
Class 1	87	105
Club Members	11,463	14,855
Employee Members	13	10
Total Membership	11,566	14,974

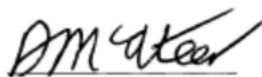
15. Compulsory Director Training

Part 6 of the Registered Clubs Regulation 2015 requires the club to inform members that all our Directors and the CEO have completed an extensive director training course run by Clubs NSW.

The company is a company limited by guarantee under the Corporations Law. If the company is wound up, the Constitution states that each member, or within one year thereafter, is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the company.

At 31 December 2021, the collective amount members are liable to contribute if the company is wound up was approximately \$23,000 (2020: \$29,000 approximately).

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS and in accordance with its resolution:



JTD McAteer
President



S H Brown
Treasurer

Dated at Balgowlah this 10th day of February 2022.

AUDITOR'S INDEPENDENCE
DECLARATION
UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001



To the Directors of **BALGOWLAH RSL MEMORIAL CLUB**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2021 there has been:

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

CABEL Partners
Chartered Accountants

A handwritten signature in black ink, appearing to read "Ray K".

Ray Khalil

North Sydney
Dated this 10th day of February 2021

**STATEMENT OF PROFIT AND LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 \$	2020 \$
Revenue	2	8,674,983	10,536,228
Consumables used		(1,371,709)	(1,406,926)
Employee benefits expense	3	(3,087,273)	(3,721,328)
Depreciation and amortisation expenses	3	(1,277,133)	(1,269,761)
Finance Cost	3	(4,713)	(25,143)
Other expenses		(3,135,980)	(3,506,117)
(Loss)/Profit before income tax		(201,825)	606,953
Tax benefit/(expense)	4	41,089	(6,884)
(Loss)/Profit for the year after income tax expense		(160,736)	600,069
Other comprehensive income		-	-
Other comprehensive income for the year		-	-
Total comprehensive (loss)/income attributable to members of the company		(160,736)	600,069

The accompanying notes form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021	2020
ASSETS		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	7	1,678,483	1,519,135
Trade and other receivables	8	135,541	4,052
Inventories	9	224,549	184,533
Current tax assets	10	2,766	-
Other assets	11	60,820	26,507
TOTAL CURRENT ASSETS		2,102,159	1,734,227
NON-CURRENT ASSETS			
Property, plant and equipment	12	19,388,505	19,800,326
Right-of-use asset	12	19,013	29,704
Intangible assets	13	160,000	160,000
Deferred tax assets	10	65,186	24,097
TOTAL NON-CURRENT ASSETS		19,632,704	20,014,127
TOTAL ASSETS		21,734,863	21,748,354
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	1,494,088	1,117,376
Borrowings & Lease Liabilities	15	144,393	361,607
Provisions	16	182,601	225,573
Current Tax Liability	10	-	6,692
TOTAL CURRENT LIABILITIES		1,821,082	1,711,248
NON-CURRENT LIABILITIES			
Borrowings & Lease Liabilities	15	205,620	111,402
Provisions	16	225,863	282,670
TOTAL NON-CURRENT LIABILITIES		431,483	394,072
TOTAL LIABILITIES		2,252,565	2,105,320
NET ASSETS		19,482,298	19,643,034
EQUITY			
Reserves	17	4,576,243	4,576,243
Retained earnings		14,906,055	15,066,791
TOTAL EQUITY		19,482,298	19,643,034

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Retained Earnings	Reserves	Total
	\$	\$	\$
Balance at 1 January 2021	15,066,791	4,576,243	19,643,034
Comprehensive income			
Loss for the year	(160,736)	-	(160,736)
Total comprehensive income for the year attributable to members of the company			
	(160,736)	-	(160,736)
Balance at 31 December 2021	14,906,055	4,576,243	19,482,298
Balance at 1 January 2020	14,466,722	4,576,243	19,042,965
Comprehensive income			
Profit for the year	600,069	-	600,069
Total comprehensive income for the year attributable to members of the company			
	600,069	-	600,069
Balance at 31 December 2020	15,066,791	4,576,243	19,643,034

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from Club Operations		8,672,637	10,872,733
Payments to Suppliers and Employees		(7,844,427)	(9,364,420)
Rent Received		289,186	252,765
Income Taxes Refund/(Paid)		(9,457)	18,624
Net cash provided by operating activities	25	1,107,939	1,779,702
Cash flows from investing activities			
Payment for Property, Plant and Equipment		(885,265)	(491,190)
Proceeds from disposal of property, plant and equipment		48,980	32,000
Net cash (used in) provided by investing activities		(836,285)	(459,190)
Cash flows from financing activities			
Net Repayment of Borrowings		(112,306)	(293,476)
Net cash (used in) provided by financing activities		(112,306)	(293,476)
Net increase/(decrease) in cash and cash equivalents held		159,348	1,027,036
Cash and cash equivalents at beginning of financial year		1,519,135	492,099
Cash and cash equivalents at end of financial year	7	1,678,483	1,519,135

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

The financial statements cover Balgowlah RSL Memorial Club as an individual entity. Balgowlah RSL Memorial Club is a company limited by guarantee, incorporated and domiciled in Australia.

The financial statements have been authorised by the directors of the company.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board as issued by the Australian Accounting Standards Board (AASB). The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

(a) Going Concern

As at 31 December 2021, current assets exceeded current liabilities by \$281,077. The directors have a capital expenditure plan which uses where possible cash generated from operating activities to fund that expenditure. The effect on working capital is that funds are drawn for capital expenditure. The Directors have prepared these financial statements on a going concern basis as there was a positive cash flow surplus from operating activities of \$1,107,939 (2020: \$1,779,702) and the budget for 2022 indicates a budgeted trading profit and cash flow surplus (including loan repayments) which the directors expect to be achieved.

(b) Income Tax

The company's liability for income tax arises for a substituted accounting financial year ending 30 June and relies on the continuing acceptance by the Australian Taxation Office of the mutuality principle. It is calculated on the net income from non-members plus income from rentals and interest, less deductions claimable under the Income Tax Assessment Act.

The income tax benefit for the year ended 31 December 2021 is \$41,089 (2020 income tax expense of \$6,884). Tax is paid by instalments. As at 31 December 2021 there is a tax refund expected of \$2,766 (2020 tax payable of \$6,692).

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

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

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

(c) Inventories

Inventories are measured at the lower of cost and net realisable value using the average costing basis.

(d) Property, Plant and Equipment

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

Property

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

Club Buildings and Renovations are stated at historical costs less depreciation. Historical cost includes expenditure where applicable that is directly attributable to the acquisition of the items.

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

Plant and Equipment

Plant and Equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure where applicable that is directly attributable to the acquisition of the items.

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

charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

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

Class of Fixed Asset:	Depreciation Rate
Buildings	2.5%
Plant and Equipment (at cost)	10%-20%
Poker Machines (at cost)	10%-20%
Computer Software (at cost)	5%-25%

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in statement of profit and loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(e) Leases

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset. Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the

shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

Lease liabilities

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

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

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The company recognises the lease payments as associated with these leases as an expense on a straight-line basis over the lease term. Payments made under short term operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

(f) Impairment of assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

(g) Intangibles arising from Gaming Machine Entitlements

Gaming Machine Entitlements acquired are initially recorded at the purchase price at the date of acquisition. Gaming Machine Entitlements are tested annually for impairment and carried at cost less accumulated impairment losses. Gains or losses and impairment on the disposal of Gaming Machine Entitlements will be charged to the Statement of Profit or Loss and Other Comprehensive Income.

(h) Employee Benefits

- i. Wages and salaries, annual leave and personal leave.

Liabilities for wages and salaries, including non-monetary benefits, annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating personal leave are recognised when the leave is taken and measured at the rates paid or payable.

- ii. Long service leave

The liability for long service leave is recognised in the provision for employee entitlements as a non current liability and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

- iii. Superannuation

The company contributes to accumulation superannuation plans in accordance with legal obligations.

(i) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(j) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits held at-call with banks.

(k) Revenue and Other Income

Revenue from subscriptions from members and associates are recognised in the year to which it relates while revenue from sale of goods is recognised upon the delivery of goods to customers. Member bonuses are treated as an expense, when redeemed, not when granted.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

All revenue is stated net of the amount of goods and services tax (GST).

Other Income

Income from other sources is recognised when the fee in respect of other products or services provided is receivable.

(l) Subscriptions in Advance

All subscriptions in advance are treated as current liabilities in accordance with company policy.

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(n) Comparative Figures

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

(o) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Estimates

(i) Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Fair value less costs to sell or current replacement cost calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(p) Trade and other payables

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

(q) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings 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 and loss and other comprehensive income over the period of the borrowings using the effective interest method.

(r) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

Collectability of trade receivables is reviewed on an ongoing basis and if there are any debts known to be uncollectible, they are written off.

2021	2020
\$	\$

2. REVENUE AND OTHER INCOME**Sales Revenue:**

Sale of Goods	3,376,801	3,496,357
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Other Revenue:

Rental Revenue	289,186	252,765
Subscription and Entrance Fee	56,892	59,505
Gaming Revenue	4,805,775	5,802,474
Other Revenue	2(a) 392,152	1,272,880
Poker Machine GST Expense	(433,167)	(525,654)
Commission and Sundry Income	187,344	177,901
Total Revenue	8,674,983	10,536,228
(a) Profit on disposal of property, plant and equipment	29,027	29,520

3. (LOSS)/PROFIT FOR THE YEAR

(Loss)/Profit before income tax from continuing operations includes the following specific expenses:

Expenses:

Wages and Salaries	2,473,927	3,027,433
Other associated personnel expenses	214,440	190,358
Contributions to superannuation funds	256,713	277,313
Employee leave benefits paid	241,972	228,639
Increase/(Decrease) in liability for employee benefits	(99,779)	(2,415)
Employee benefits expense	3,087,273	3,721,328
Depreciation and amortisation expenses	1,277,133	1,259,305

2021	2020
\$	\$

4. TAX EXPENSE

- (a) The components of tax expense comprise:

Tax (benefit)/expense	(41,089)	6,884
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- (b) The prima facie tax payable on (loss)/profit before income tax as follows:

Prima facie tax payable on (loss)/profit before income tax at 26%	(52,474)	166,912
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Add tax effect of:

Tax effect of non-deductible and non-assessable items (including portion attributable to members)	13,631	-
Deferred tax assets recognised in the financial statements	1,806	637
	(37,037)	167,549

Less tax effect of:

Tax effect of non-deductible and non-assessable items (including portion attributable to members)	-	(160,220)
Deferred tax assets recognised in the financial statements	(4,052)	-
Under/(over provision) in tax expense in prior year	-	(445)
Income tax (benefit)/expense attributable to entity	(41,089)	6,884

5. KEY MANAGEMENT PERSONNEL COMPENSATION

Short term benefits	362,297	353,171
Post employment benefits	32,661	28,770
Other long-term benefits	108,389	93,317
Total compensation	503,347	475,258

2021	2020
\$	\$

6. AUDITOR'S REMUNERATION

Remuneration of the auditor:

Auditing and compilation of the financial report	29,110	27,400
	<hr/>	<hr/>
	29,110	27,400

7. CASH AND CASH EQUIVALENTS

Cash on Hand	203,291	210,000
Cash at Bank	1,475,192	1,309,135
	<hr/>	<hr/>
	1,678,483	1,519,135

8. TRADE AND OTHER RECEIVABLES**CURRENT**

Trade Debtors and Accrued Income	135,541	4,052
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9. INVENTORIES**CURRENT****At cost:**

Stock on hand	224,549	184,533
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10.TAX**Assets****CURRENT**

Income Tax	2,766	(6,692)
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Deferred Tax Asset**Provisions**

Opening balance	24,097	24,734
Charged to income	41,089	(637)
Closing balance	65,186	24,097
Balance at year end	65,186	24,097

11. OTHER ASSETS**CURRENT**

Prepayments	60,820	26,507
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2021	2020
\$	\$

12.PROPERTY, PLANT AND EQUIPMENT

Freehold land (at valuation)	6,050,000	6,050,000
Club Buildings (at cost)	20,241,024	20,169,764
Less accumulated depreciation	(9,862,720)	(9,231,983)
	10,378,304	10,937,781
Total land and buildings	16,428,304	16,987,781
Plant and Equipment (at cost)	3,277,087	3,062,290
Less accumulated depreciation	(2,045,842)	(1,862,155)
	1,231,245	1,200,135
Poker Machines (at cost)	4,234,642	3,805,658
Less accumulated depreciation	(2,513,496)	(2,196,144)
	1,721,146	1,609,514
Computer software (at cost)	381,831	376,467
Less accumulated depreciation	(374,021)	(373,571)
	7,810	2,896
Total plant and equipment	2,960,203	2,812,545
Total property, plant and equipment	19,388,505	19,800,326
Right-of-use asset (at cost)	40,305	40,395
Less accumulated depreciation	(21,382)	(10,691)
Total Right-of-use asset	19,013	29,704

(a) Core Property

The Company's core property is at
30-38 Ethel Street, Seaforth NSW 2092.

(b) Movements in carrying amounts:

For disclosure on movement in carrying amounts please refer to note 26(a) at the end of this financial report.

(c) Asset revaluations:

Valuation of Land

The company's land was revalued on 9th February 2015 by independent valuers, Dobrow Valuations Pty Limited. Valuations were made on the basis of open market value. The revaluation surplus was credited to the revaluation reserve.

2021	2020
\$	\$

13. INTANGIBLE ASSETS

Poker Machine Entitlements – at cost	160,000	160,000
Less accumulated amortisation and impairment	-	-
	160,000	160,000

Reconciliation of poker machine entitlements – at cost

Balance at beginning of year	160,000	160,000
Additions – at cost	-	-
Disposals	-	-
Amortisation charge	-	-
Impairment losses	-	-
Closing carrying value at 31 December 2021	160,000	160,000

14. TRADE AND OTHER PAYABLES**CURRENT**

Goods and Services Tax (Net)	186,656	185,824
Other Creditors and Accruals	513,986	365,963
Trade Creditors	657,026	423,473
Subscriptions in Advance	77,587	85,310
Rent Income in Advance	58,833	56,806
	1,494,088	1,117,376

15. BORROWINGS & LEASE LIABILITIES**CURRENT**

Bank Loan (Secured)	-	300,000
Lease liabilities	10,691	9,959
Other Loans		
(Term Creditors – Interest Free)	133,702	51,648

Total Current Borrowings	144,393	361,607
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NON-CURRENT

Lease Liabilities	8,322	19,744
Other Loans		
(Term Creditors – Interest Free)	197,298	91,658
Total Non-Current Borrowings	205,620	111,402

Total Borrowings	350,013	473,009
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- (a) During the year, the company paid down the \$300,000 remaining on the tailored commercial facility.
- (b) The term creditors and chattel mortgage are effectively secured as the rights to the assets recognised in the financial statements revert to the supplier/lender in the event of default.

The lease liabilities represent the phone system that was previously accounted for as an operating lease. Under the lease standard AASB 16 this has been brought onto the statement of financial position.

16. PROVISIONS**CURRENT**

Employee Entitlements	182,601	225,573
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NON-CURRENT

Employee Entitlements	225,863	282,670
Employee Entitlements		
Opening balance at 1 January 2021	508,243	510,659
Net movement	(99,779)	(2,416)
Balance at 31 December 2021	408,464	508,243

17. RESERVES

Analysis of Each Class of Reserves

Asset Revaluation Reserve	4,576,243	4,576,243
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The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in note 12(c). The balance standing to the credit of the reserve is not distributable.

18. CONTINGENT LIABILITIES

Estimates of the potential financial effect of contingent liabilities that may become payable:

Bank Guarantees

The company has given a bank guarantee to TAB Limited	5,000	5,000
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Member's rewards point

Value of points yet to be redeemed by members	76,451	21,382
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19. EVENTS AFTER THE REPORTING PERIOD

The company initiated strict policies and procedures to address the health and wellbeing of employees, members, consultants and contractors during the COVID-19 Pandemic. The timing and extent of the impact and recovery from COVID-19 is not yet known. However, these events may continue to have a post balance date impact with the Omicron outbreak.

At the date of this report and in financial years subsequent to 31 December 2021, there are no other matters or circumstances which have arisen since 31 December 2021 that have significantly affected or may significantly affect:

- i. The operations of the company;
- ii. The results of those operations; or
- iii. The state of affairs of the company.

20. OPERATING SEGMENTS

The company operates as a licensed club and operates in one geographical area, being Seaforth, New South Wales, Australia.

21. FINANCIAL RISK MANAGEMENT

The company's financial instruments consist of non-derivative instruments, namely deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bills and leases.

Financial Risk Management Policies

Specific Financial Risk Exposures and Management

(a) Credit risk

The company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company.

(b) Liquidity Risk

The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

2021

\$

2020

\$

Financial liability and financial asset maturity analysis

Financial liabilities due for payment	Within 1 Year	
Bank Loans	-	300,000
Lease liability	10,691	9,959
Chattel Mortgage - Bank	133,702	51,648
Total contractual outflows	144,393	361,607
Total expected outflows	144,393	361,607
Net (outflow)/inflow on financial instruments	(144,393)	(361,607)

Financial liabilities due for payment	1+ Years	
Lease liability	8,322	19,744
Chattel Mortgage - Bank	197,298	91,658
Total contractual outflows	205,620	111,402
Total expected outflows	205,620	111,402
Net (outflow)/inflow on financial instruments	(205,620)	(111,402)

Financial Liabilities	Total	
Bank Loans	-	300,000
Lease liabilities	19,013	29,703
Chattel Mortgage - Bank	331,000	143,306
Total contractual outflows	350,013	473,009
Total expected outflows	350,013	473,009
Net (outflow)/inflow on financial instruments	(350,013)	(473,009)

Fair Values

Fair Value Estimation

The fair values of financial assets and financial liabilities are as per the carrying amounts as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

22. FAIR VALUE MEASUREMENTS

The company measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- Freehold Land

The company does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

(a) Fair Value Hierarchy

Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuations Techniques

The company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the company are consistent with one or more of the following valuation approaches.

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

Level 2

Recurring fair value measurements	Note	2021	2020
		\$	\$
Non-financial assets			
Freehold Land	12	6,050,000	6,050,000
Total non-financial assets recognised at fair value on a recurring basis			
		6,060,000	6,060,000
Liabilities			
Borrowings	15	350,013	473,009
Total liabilities recognised at fair value			
		350,013	473,009

The company does not include fair value information for financial assets and financial liabilities such as short term trade debtors, cash and cash equivalents and payables because their carrying amounts are reasonable appropriation of fair value.

23. COMPANY DETAILS

The registered office and principal place of business of the company is:

Balgowlah RSL Memorial Club
30-38 Ethel Street
SEAFORTH NSW 2092

24. RELATED PARTY DISCLOSURES

A Directors

The names of each person holding the position of Director of Balgowlah RSL Memorial Club during the financial year are:

J T D McAteer, R J Paterson, G Stone, S Brown , J Garland, B Renshaw and W O'Brien.

B Remuneration of Directors

Benefits were received by Directors from transactions including meals and refreshments following Directors' and Committee meetings and company functions attended by Directors on behalf of the company. Directors are paid a nominal honorarium of \$200 per month, while the Club President and the Treasurer receive \$400 per month.

The aggregate amount brought to account was \$19,200.

No other transactions occurred with Directors or director related parties during the year.

C Related Party Transactions

The company has a related party relationship with Balgowlah Seaforth Clontarf RSL Sub Branch (Sub Branch) as two of the Directors must be members of the Sub Branch as per the company's constitution. During the year ended 31 December 2021, donations were made to the Sub Branch of \$4,200 (2020: \$4,100). The RSL Sub Branch occupies part of the Club's premises free of charge and its members' subscription collection is effected by the company at no cost. No other transaction have occurred between the parties.

During the year no other Director of the company or related parties provided any goods or services to the company in exchange for payment.

2021	2020
\$	\$

25.CASH FLOW INFORMATION**Reconciliation of cash flow
from operations with
(loss)/profit after income tax**

(Loss)/Profit after income tax	(160,736)	600,069
Non-cash flows in profit:		
Depreciation and Amortisation	1,277,133	1,259,305
Profit on disposal of property, plant and equipment	(29,027)	(29,520)
Changes in assets and liabilities:		
(Increase)/Decrease in Trade Debtors and Accrued Income	(131,489)	51,999
(Increase)/Decrease in Stock in Hand	(40,016)	(2,433)
Increase/(Decrease) in Trade and Other Payables	376,713	(163,972)
(Increase)/Decrease in Prepayments	(34,313)	41,162
Increase/(Decrease) in Provision for Income Tax	(9,458)	6,692
Increase/(Decrease) in Other Provisions	(99,779)	(2,416)
Increase/(Decrease) in Deferred Tax Assets	(41,089)	18,816
Net cash provided by operating activities	1,107,939	1,779,702

27. MOVEMENT IN CARRYING AMOUNTS

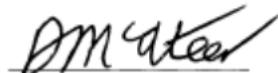
Movements in the carrying amounts for each class of property, plant and equipment:

	Freehold Land (at valuation)	Club Buildings (at cost)	Plant and Equipment (at cost)	Poker Machines (at cost)	Computer Software (at cost)	Total
Balance 1 January 2020	6,050,000	11,608,547	1,036,401	1,859,720	13,773	20,568,441
Additions	-	3,069	334,667	277,003	-	614,739
Disposals	-	(42,304)	-	(81,245)	-	(123,549)
Depreciation expense	-	(631,531)	(170,933)	(445,964)	(10,877)	(1,259,305)
Carrying amount at 31 December 2020	6,050,000	10,937,781	1,200,135	1,609,514	2,896	19,800,326
Additions	-	71,260	214,797	593,844	5,364	885,265
Disposals	-	-	-	(19,953)	-	(19,953)
Depreciation expense	-	(630,737)	(183,687)	(462,259)	(450)	(1,277,133)
Carrying amount at 31 December 2021	6,050,000	10,378,304	1,231,245	1,721,146	7,810	19,388,505

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Balgowlah RSL Memorial Club, the directors of the company declare that:

1. The financial statements and notes, which comprise the statement of financial position as at 31 December 2020, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes are in accordance with the Corporations Act 2001; and
 - comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements; and
 - give a true and fair view of the financial position as at 31 December 2020 and of the performance for the year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



Director JTD McAteer – President



Director S BROWN – Treasurer

Dated: 10th February 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BALGOWLAH RSL MEMORIAL CLUB



Report on the Audit of the Financial Report

Opinion

We have audited the financial report of **Balgowlah RSL Memorial Club** (the company), which comprises the statement of financial position as at 31 December 2021, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

In our opinion, the accompanying financial report of **Balgowlah RSL Memorial Club** has been prepared in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 31 December 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standard, and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors

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

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 31 December 2021, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance

conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

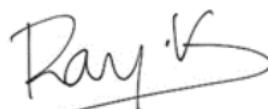
- Identify and assess the risk of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within in the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. There were no significant findings or deficiencies to report.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may be reasonably be thought to bear on our independence, and where applicable, related safeguards.

CABLE Partners
Chartered Accountants



Ray Khalil
Partner

North Sydney
Dated this 10th February 2022

Providing certainty

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