



# 2022 ANNUAL REPORT

**BALGOWLAH RSL  
MEMORIAL CLUB**



**BALGOWLAH RSL MEMORIAL CLUB**  
**ACN 001 074 184**  
**2022 ANNUAL REPORT**

**Directory**

Registered Office	30-38 Ethel St, Seaforth, NSW 2092
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Email	info@balgowlahrsl.com.au

**Board of Directors**

President	Graham Stone
Senior Vice President	Des McAteer
Junior Vice President	John Garland
Treasurer	Stephen Hamilton
Director	Bryan Renshaw
Director	William David O'Brien
Director	Brian Roberts

**Management**

Chief Executive Officer	Lawson Job
Gaming Manager	Nicki Cresswell
Food & Beverage Manager	Maya Frost

**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

## PRESIDENTS REPORT 2022

On behalf of the Board of Directors I would like to present to you the Annual Report for the year ending 31<sup>st</sup> December 2022.

I would also like to pay my respects by acknowledging the Gadigal people of the Eora Nation, Traditional Custodians of the land where this Club is situated and pay my respects to their Elders, both past and present.

The Balgowlah RSL Memorial Club as in previous years continues to provide a community hub to over 12,500 members. The range of services and activities offered here at the Club are significant and focussed on what the members and guests expect of a Club such as this.

To say that 2022 for the Club was all smooth sailing would not be correct. Like in previous years this Club has been impacted by many uncontrollable financial factors, not the least the tail end of COVID. In addition, the financial pressures that many of us are experiencing at home with the rising cost of living has impacted us here at the Club.

Behind the faces of our fantastic staff that deliver services with a smile is a Management team and Board that are strategically focussing and planning to be able to respond to the ongoing challenges that we are experiencing. As you can see from the Treasurers Report, the financial position as of December 31, 2022 reflected the impact of these challenges.

The Board and Management team are optimistic and have strategies in place to address what has been a slow decline over the past few years in this Club's revenue.

There have been some staff movements throughout the year. After 20 years of loyal service to the Club the CEO, Hendrik Visser has retired. His contribution to this Club over the past two decades has been considerable. The gap left by Hendrik has been taken up by the new CEO, Lawson Job. Lawson and his competent and skilled Management team are the lifeblood of the daily operations of the Club. The Board's role is one of governance which is concerned with structure and processes for decision making, accountability, control and behaviour for this Club.

The Club continues to financially support local charities and sporting groups in the area and is proud to be able to do so.

This is your Club. It has been here for many years and has faced many adversities over the period since its inception in the nineteen-fifties. To work through the current challenges facing this Club we need your support and loyalty. Constructive feedback to the Management team is always encouraged to help us improve or validate whether you are satisfied with the services you are able to access here in this Club.

So, I thank you for your support as a valued member of the Balgowlah RSL Memorial Club.



Graham Stone  
President

## TREASURERS REPORT 2022

I present the Balgowlah RSL Memorial Club financial report summary for 2022.

### Club Operations

Total income \$11,721,873 (up 35% on 2021 \$8,674,983)

Loss after tax (\$433,626) (up 170% on 2021 Loss \$160,736)

### Beverage department

Total income \$2,291,715 (up 40% on 2021 \$1,634,339)

Profit for the year \$867,797 (up 62% in 2021 \$536,329)

### Catering department

Total Income \$2,854,442 (up 60% on 2021 \$1,788,919)

Profit for the year \$1,636 (up on 2021 Loss \$72,373)

GP decreased from 60% down to 58%

### Gaming Department

Total Income \$6,379,650 (up 33% on 2021 \$4,805,775)

Profit for the year \$3,361,620 (up 25% on 2021 \$2,685,461)

**Cash Position in Balance Sheet** \$2,028,667 (up 21% on 2021 \$1,678,483)

Government support for 2022 was \$0 compared with \$340,158 in 2021. The Club has ended the year with 21% additional cash & cash equivalents despite the bottom line result.



Stephen Hamilton

Treasurer

## CEO REPORT 2022

Dear Members,

2022 has seen mixed results with the lingering effects of Covid still remaining and we have seen our cost pressures mount in recent times. The Club Board and Management are working diligently to maintain our facilities and offerings to best suit the needs of our Members whilst continuing to battle the rising costs of living we are experiencing across all facets of the Club.

In the Treasurers Report we see the Clubs financial result with an after-tax loss of (\$433,626). This result reflects the seriousness of the cost pressures the Club now faces and that the Board & Management strategies moving forward will be key. We remain optimistic and with a significant review of our strategic plans and objectives underway, look towards a brighter future here at your Community Club.

The Club is glad to be able to continue our support of over 30 community groups, donating over \$80,000 for 2022. This support is crucial to many of these groups survival and we are looking forward to continuing to grow these relationships in the future.

Our 12,500 Members must be acknowledged and thanked for all their support during 2022 and we are immensely proud to be your venue of choice, always delivering service with a smile. Myself, and all of Team Balgowlah, look forward to spending more time with all our Members in 2023.

I would be remiss if I did not extend this thanks of support to the Board of Directors and all of our staff that have worked valiantly to keep the Club operating. Special thanks to Nicki, Maya & David for their dedication and commitment to the Club. I would also like to take the opportunity to acknowledge Hendrik Visser, who accomplished so much with 20 years as CEO of Balgowlah RSL Memorial Club, and I look forward to upholding the Club's traditions in his stead.

Whilst taking over in a period of transition for the Club, I am honoured to be in my current role as your CEO. I eagerly await experiencing what the future has to come with our Directors, Management, Staff and most importantly, you, our Members.

### The Management Team:

<b>Gaming Manager</b>	Nicki Cresswell	<b>Accounts</b>	Annika Menke
<b>F&amp;B Manager, Community Liaison</b>	Maya Frost	<b>Administration</b>	Jennifer Hatton
<b>Executive Chef</b>	Chhetri 'David' Lipik	<b>Payroll</b>	Jackie Frawley
<b>Duty Managers</b>	Justin Uren Daniel McCart Mitchel Delezio Lara Job	<b>Functions Coordinator</b>	Charlie Pope

On behalf of all our Team of 95 employees, we look forward to welcoming Members to come and enjoy your great Club again in 2023.



Lawson Job

Chief Executive Officer

## 49<sup>TH</sup> ANNUAL GENERAL MEETING MINUTES OF MEETING 11 APRIL 2022

The 49<sup>th</sup> Annual General Meeting was held on level 2 of the Club at 30-38 Ethel St, Seaforth, NSW 2092.

Meeting commenced at 7:03pm.

**PRESENT** – 35 Members were present, including 10 Class 1 Members and 25 General Members.

### BUSINESS

#### 1. Apologies:

Bob Paterson #1681; Brian Roberts #11887; Bryan Renshaw #131; Andrew Dickson #1032; Monica Ardill #2626; Janice Moran #3765; James Aitkenhead #8928; Maxine Quick #13069.

#### 2. Motion to confirm and adopt the minutes of the 48<sup>th</sup> Annual General Meeting held 19<sup>th</sup> April 2021.

MOVED ARTHUR BALL #7618; SECONDED DENNIS MORAN #1217. MOTION CARRIED

#### 3. Business Arising from the minutes:

Nil.

#### 4. Motion to receive, consider and adopt the Directors' Report and Directors' Statement for the year ended 31 December 2021.

MOVED ROBERT ELVIN #8824; SECONDED KEN PRIOR #9023.

#### 5. 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 2021.

MOVED DIANNE TRAVELLER #1347; SECONDED SHAUN PARRIN #7774.

#### 6. Election of Directors

President Des McAteer thanked the management team and the Directors for helping to steer the Club through two years of COVID crisis. He thanked Bob Paterson for ten years of service on the Board, including positions of President, Vice President and Treasurer. He thanked Stephen Brown for his six years service as Treasurer and he thanked the Members for his past four years as President.

a) All positions on the Board of Directors were declared 'vacant'.

b) The CEO read the results of the ballot for positions on the Board of Directors:

The election was held from 25<sup>th</sup> March to 7<sup>th</sup> April 2022. 130 Members voted.

President	Graham Stone	Unopposed	Elected.
Senior Vice President	Des McAteer	Unopposed	Elected.
Junior Vice President	John Garland	Unopposed	Elected.
Treasurer	Stephen Hamilton	Unopposed	Elected.
Director	Bryan Taffy Renshaw	104 votes	Elected.
Director	Brian Roberts	98 votes	Elected.
Director	William David O'Brien	90 votes	Elected.
	Marlon Potts	26 votes	
	Alan Frost	25 votes	

c) Declared the successful candidates elected for the ensuing two years.

#### 7. Ordinary Resolutions

That until the next Annual General Meeting and in pursuance of the Registered Clubs Act, the members approve a MOTION to provide 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 appropriate 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 MOVED BY DIANNE TRAVELLER #1347; SECONDED BY ROBERT ELVIN #8824.

MOTION CARRIED.

#### 8. Fifty Year Members

The Board of Directors recognize and celebrate 50 Year Members. Members who have achieved over fifty years of Club membership will be awarded the Fifty Year Commemorative Pin.

Member #354	Mr Ian Lindsay	Joined 1972
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Member #1032	Mr Andrew Dickson	Joined 1971
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Member #1078	Mr David McNeil	Joined 1971
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. Member #1127	. Mr David Patterson	. Joined 1971
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#### GENERAL BUSINESS

Changes to the Registered Clubs Act will require some adjustments to the Club Constitution. These changes will be addressed at the next General Meeting.

#### OTHER BUSINESS

Nil

CLOSE:                There being no further business, the meeting closed at 7:20pm.

## COMMUNITY DONATIONS

Balgowlah RSL Memorial Club has always seen the importance of giving back to the community, and recognizes the ability that we have to do so. It has been great to be able to donate to our full potential despite the lingering affects that COVID has had on our industry.

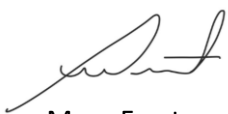
In 2022 the Club's in-kind and cash donations have totalled \$84,334 to over 30 community groups, local organizations and charities. Many of these group receive little to no government funding, so our support, along with the generous donations of our Members goes a long way in keeping these Clubs and community services alive. These organizations provide services & support to the community such as mental & physical health, domestic violence support, junior sport, education, assistance to vulnerable people and so much more. The Club is proud to support not only with cash donation, but through marketing of their services, and providing a space for their meeting or fundraisers.

The Club will continue to support the community in any way possible, and looks forwards to continuing relationships with these important community organizations as well as developing new relationships with any organizations in need.

The following is the list of local entities supported by Balgowlah RSL Memorial Club in 2022:

1 <sup>st</sup> Seaforth Scouts	Manly Allambie Ladies Soccer
Autism Spectrum Australia	Manly Central Probus
Balgowlah Heights Public School	Manly Diggers Swimming Club
Balgowlah Rotary Club	Manly Seasiders Baseball Club
Balgowlah RSL Fishing Club	Manly Warringah Cricket Association
Balgowlah RSL Toastmasters	North Steyne Surf Life Saving Club
Balgowlah-Seaforth-Clontarf RSL Sub Branch	Northern Beaches Country Music
Balgowlah-Seaforth-Clontarf Women's Auxiliary	Northern Beaches Readers Festival
Beacon hill Cricket Club	Parkinsons Support Group
Beyond Blue	Queenscliff Surf Life Saving Club
Clontarf Precinct Committee	Rotary Club of North Sydney Sunrise
Community Northern Beaches	Seaforth Football Club
Dalwood Spilstead Services	Seaforth Public School
Fighting Chance Australia	St Cecilia's Catholic School
Forest Kirk Uniting Church	St Vincent de Paul Society
Lions Club of Balgowlah	Taldumande Youth Services
Lions Club of Manly	The Sisterhood
Mackellar Girls Campus	

Thank you to 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

## **BALGOWLAH RSL MEMORIAL CLUB**

ABN 92 001 074 184

### **FINANCIAL REPORT** FOR THE YEAR ENDED 31 DECEMBER 2022

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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 2022 and report as follows:

### 1. Board of Directors

The names and particulars of the Directors of the company in office at any time during, or since the end of, the year are:

Name	Qualifications	Years as a Director of this Club	Special Responsibilities
G Stone	Teacher TAFE NSW and retired Health Manager NSW Health	6	President
S Hamilton	Retired Chartered Accountant	1	Treasurer
J T D McAteer	Manager	19	Senior Vice President
J W Garland	Company Director	6	Junior Vice President
B Renshaw	Retired Customs Officer	15	Director
W D O'Brien	Retired Company Director	8	Director
B Roberts	Company Director	1	Director
R J Paterson FAIM, F FIN, JP	Retired Human Resources Executive	11	Former President
S H Brown	Retired Financial Controller	7	Former Treasurer

### 2. Board Meetings

The number of Board meeting and number of meetings attended by each of the Directors of the company during the 2022 Financial year are:

Director	Number of Board Meetings Held*	Number of Board Meetings Attended
G Stone	12	12
S Hamilton (Appointed 11 April 2022)	9*	8
J T D McAteer	12	12
J W Garland	12	11
B Renshaw	12	12
W D O'Brien	12	10
B Roberts (Appointed 11 April 2022)	9*	8
R J Paterson (Resigned 11 April 2022)	3*	3
S H Brown (Resigned 11 April 2022)	3*	3

\*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 2022 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 2022 was \$(433,626).

### **5. Dividends**

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

### **6. Review of Operations**

The Company suffered through one more Covid-19 affected period over January & February 2022 although very little government restrictions were put in place.

The company made a loss after taxation of \$433,626 compared with a loss of \$160,736 in 2021. Please note:

- There was a decrease in Government Covid-19 Support Payments of \$340,158 from 2021. Government Subsidies for 2022 were nil (2021: \$340,158);
- There was an increase in revenue of \$3,046,890 from 2021. Revenue for 2022 was \$11,721,873 (2021: \$8,674,983); and
- There was an increase in expenses of \$3,327,967. Expenditure for 2022 was \$12,204,775 (2021: \$8,876,808).

### **7. Significant Changes in State of Affairs**

Hendrik Visser, CEO for 20 years, retired from the Club in July and Lawson Job was appointed to the role in November.

### **8. Matters subsequent to the end of the Financial Year**

At the date of this report and in financial years subsequent to 31 December 2022, there are no other matters or circumstances which have arisen since 31 December 2022 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**

	2022	2021
Life Members	3	3
Class 1	60	87
Club Members	12,521	11,463
Employee Members	20	13
Total Membership	12,604	11,566

**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 Act. 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 2022, the collective amount members are liable to contribute if the company is wound up was approximately \$25,000 (2021: \$23,000 approximately).

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



G Stone  
President



S Hamilton  
Treasurer

Dated at Balgowlah this 28<sup>th</sup> day of February 2023.

**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 2022 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**


Ray Khalil  
Partner

**North Sydney**

Dated this 28<sup>th</sup> February 2023

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 \$	2021 \$
Revenue	2	11,721,873	8,674,983
Consumables used		(2,152,637)	(1,371,709)
Employee benefits expense	3	(4,406,205)	(3,087,273)
Depreciation and amortisation expenses	3	(1,263,687)	(1,277,133)
Finance Cost		(1,700)	(4,713)
Other expenses		(4,380,546)	(3,135,980)
<b>(Loss)/Profit before income tax</b>		<b>(482,902)</b>	<b>(201,825)</b>
Tax benefit/(expenses)	4	49,276	41,089
<b>(Loss)/Profit for the year after income tax expense</b>		<b>(433,626)</b>	<b>(160,736)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive (loss)/income attributable to members of the company</b>		<b>(433,626)</b>	<b>(160,736)</b>

The accompanying notes form part of these financial statements.

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	2022 \$	2021 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	2,028,667	1,678,483
Trade and other receivables	8	61,186	135,541
Inventories	9	179,089	224,549
Current tax assets	10	3,041	2,766
Other assets	11	61,706	60,820
<b>TOTAL CURRENT ASSETS</b>		<b>2,333,689</b>	<b>2,102,159</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	12	18,618,115	19,388,505
Right-of-use asset	12	8,322	19,013
Intangible assets	13	160,000	160,000
Deferred tax assets	10	114,462	65,186
<b>TOTAL NON-CURRENT ASSETS</b>		<b>18,900,899</b>	<b>19,632,704</b>
<b>TOTAL ASSETS</b>		<b>21,234,588</b>	<b>21,734,863</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	1,381,449	1,494,088
Borrowings & Lease Liabilities	15	209,643	144,393
Provisions	16	212,743	182,601
Current Tax Liability	10	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,803,835</b>	<b>1,821,082</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings & Lease Liabilities	15	212,173	205,620
Provisions	16	169,907	225,863
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>382,080</b>	<b>431,483</b>
<b>TOTAL LIABILITIES</b>		<b>2,185,915</b>	<b>2,252,565</b>
<b>NET ASSETS</b>		<b>19,048,673</b>	<b>19,482,298</b>
<b>EQUITY</b>			
Reserves	17	4,576,243	4,576,243
Retained earnings		14,472,430	14,906,055
<b>TOTAL EQUITY</b>		<b>19,048,673</b>	<b>19,482,298</b>

The accompanying notes form part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED 31 DECEMBER 2022

	Retained Earnings \$	Reserves \$	Total \$
<b>Balance at 1 January 2022</b>	14,906,055	4,576,243	19,482,298
<b>Comprehensive income</b>			
Loss for the year	(433,626)	-	(433,626)
<b>Total comprehensive income for the year attributable to members of the company</b>	(433,626)	-	(433,626)
<b>Balance at 31 December 2022</b>	14,472,429	4,576,243	19,048,672
<b>Balance at 1 January 2021</b>	15,066,791	4,576,243	19,643,034
<b>Comprehensive income</b>			
Loss for the year	(160,736)	-	(160,736)
<b>Total comprehensive income for the year attributable to members of the company</b>	(160,736)	-	(160,736)
<b>Balance at 31 December 2021</b>	14,906,055	4,576,243	19,482,298

The accompanying notes form part of these financial statements

## STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
Receipts from Club Operations		12,283,342	8,672,637
Payments to Suppliers and Employees		(11,820,563)	(7,844,427)
Interest Received		22,804	-
Rent Received		300,589	289,186
Income Taxes (Paid)/Refund		(3,041)	(9,457)
<b>Net cash provided by operating activities</b>	<b>25</b>	783,131	1,107,939
<b>Cash flows from investing activities</b>			
Payment for Property, Plant and Equipment		(515,441)	(885,265)
Proceeds from disposal of property, plant and equipment		-	48,980
<b>Net cash (used in) provided by investing activities</b>		(515,441)	(836,285)
<b>Cash flows from financing activities</b>			
Net Proceeds/ (Repayment of) Borrowings		82,494	(112,306)
<b>Net cash (used in) provided by financing activities</b>		82,494	(112,306)
Net increase (decrease) in cash and cash equivalent held		350,184	159,348
Cash and cash equivalents at beginning of financial year		1,678,483	1,519,135
Cash and cash equivalents at end of financial year	7	2,028,667	1,678,483

The accompanying notes form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022, current assets exceeded current liabilities by \$529,854. 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 \$783,131 (2021: \$1,107,939) and the budget for 2023 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 2022 is \$49,276 (2021 income tax benefit of \$41,089). Tax is paid by instalments. As at 31 December 2022 there is a tax refund expected of \$3,041 (2021 tax refund of \$2,766).

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:

<b>Class of Fixed Asset:</b>	<b>Depreciation Rate</b>
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.

**(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.

		2022 \$	2021 \$
<b>2. REVENUE AND OTHER INCOME</b>			
Sales Revenue:			
Sale of Goods		5,173,581	3,376,801
Other Revenue:			
Interest Revenue	2(a)	22,804	-
Rental Revenue		300,589	289,186
Subscription and Entrance Fee		60,000	56,892
Gaming Revenue		6,379,650	4,805,775
Other Revenue	2(b)	50,390	392,152
Poker Machine GST Expense		(569,224)	(433,167)
Commission and Sundry Income		304,083	187,344
Total Revenue		11,721,873	8,674,983
(a) Interest received from:			
Other corporations		22,804	-
(b) Profit on disposal of property, plant and equipment		22,144	29,027

**3. (LOSS)/PROFIT FOR THE YEAR**

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

**Expenses:**

Wages and Salaries	3,439,647	2,473,927
Other associated personnel expenses	244,699	214,440
Contributions to superannuation funds	368,871	256,713
Employee leave benefits paid	378,800	241,972
(Decrease) /Increase in liability for employee benefits	(25,812)	(99,779)
Employee benefits expense	4,406,205	3,087,273
Depreciation and amortisation expenses	1,263,687	1,277,133

	2022 \$	2021 \$
<b>4. TAX EXPENSE</b>		
(a) The components of tax expense comprise:		
Tax (benefit)/expense	(49,276)	(41,089)
(b) The prima facie tax payable on (loss)/profit before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on (loss)/profit before income tax		
At 25% (2021: 26%)	(120,726)	(52,474)
<b>Add tax effect of:</b>		
Tax effect of non-deductible and non-assessable items (including portion attributable to members)	70,447	13,631
Deferred tax assets recognised in the financial statements	2,011	1,806
	(48,268)	(37,037)
<b>Less tax effect of:</b>		
Tax effect of non-deductible and non-assessable items (including portion attributable to members)	-	-
Deferred tax assets recognised in the financial statements	(1,008)	(4,052)
Under/(over provision) in tax expense in prior year	-	-
<b>Income tax (benefit)/expense attributable to company</b>	<b>(49,276)</b>	<b>(41,089)</b>
<b>5. KEY MANAGEMENT PERSONNEL COMPENSATION</b>		
Short term benefits	323,082	362,297
Post employment benefits	27,016	32,661
Other long-term benefits	51,308	108,389
Total compensation	401,406	503,347
<b>6. AUDITOR'S REMUNERATION</b>		
Remuneration of the auditor:		
Auditing and compilation of the financial report	29,110	29,110
	29,110	29,110
<b>7. CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	224,321	203,291
Cash at Bank	1,804,346	1,475,192
	2,028,667	1,678,483
<b>8. TRADE AND OTHER RECEIVABLES</b>		
<b>CURRENT</b>		
Trade Debtors and Accrued Income	61,186	135,541

	2022 \$	2021 \$
<b>9. INVENTORIES</b>		
<b>CURRENT</b>		
<b>At cost:</b>		
Stock on hand	179,089	224,549
<b>10. TAX</b>		
<b>Assets</b>		
<b>CURRENT</b>		
Income Tax Asset/(Liability)	3,041	2,766
<b>Deferred Tax Asset</b>		
<b>Provisions</b>		
Opening balance	65,186	24,097
Charged to income	49,276	41,089
Closing balance	114,462	65,186
<b>Balance at year end</b>	<b>114,462</b>	<b>65,186</b>
<b>11. OTHER ASSETS</b>		
<b>CURRENT</b>		
Prepayments	61,706	60,820
<b>12. PROPERTY, PLANT AND EQUIPMENT</b>		
Freehold land (at valuation)	6,050,000	6,050,000
Club Buildings (at cost)	20,279,774	20,241,024
Less accumulated depreciation	(10,461,652)	(9,862,720)
	9,818,122	10,378,304
<b>Total land and buildings</b>	<b>15,868,122</b>	<b>16,428,304</b>
Plant and Equipment (at cost)	3,429,642	3,277,087
Less accumulated depreciation	(2,223,403)	(2,045,842)
	1,206,239	1,231,245
Poker Machines (at cost)	4,336,274	4,234,642
Less accumulated depreciation	(2,799,043)	(2,513,496)
	1,537,231	1,721,146
Computer software (at cost)	381,831	381,831
Less accumulated depreciation	(375,308)	(374,021)
	6,523	7,810
<b>Total plant and equipment</b>	<b>2,749,993</b>	<b>2,960,203</b>
<b>Total property, plant and equipment</b>	<b>18,618,115</b>	<b>19,388,505</b>
Right-of-use asset (at cost)	40,395	40,395
Less accumulated depreciation	(32,073)	(21,382)
<b>Total Right-of-use asset</b>	<b>8,322</b>	<b>19,013</b>

**(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 9<sup>th</sup> 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.

	<b>2022</b> \$	<b>2021</b> \$
<b>13. INTANGIBLE ASSETS</b>		
Poker Machine Entitlements – at cost	160,000	160,000
Less accumulated amortisation and impairment	-	-
	<b>160,000</b>	<b>160,000</b>
<b>Reconciliation of poker machine entitlements – at cost</b>		
Balance at beginning of year	160,000	160,000
Additions – at cost	-	-
Disposals	-	-
Amortisation charge	-	-
Impairment losses	-	-
Closing carrying value at 31 December 2022	<b>160,000</b>	<b>160,000</b>
<b>14. TRADE AND OTHER PAYABLES</b>		
<b>CURRENT</b>		
Goods and Services Tax (Net)	222,677	186,656
Other Creditors and Accruals	602,094	513,986
Trade Creditors	377,776	657,026
Subscriptions in Advance	117,288	77,587
Rent Income in Advance	61,614	58,833
	<b>1,381,449</b>	<b>1,494,088</b>
<b>15. BORROWINGS &amp; LEASE LIABILITIES</b>		
<b>CURRENT</b>		
Bank Loan (Secured)	-	-
Lease liabilities	8,322	10,691
Other Loans (Term Creditors – Interest Free)	201,321	133,702
Total Current Borrowings	<b>209,643</b>	<b>144,393</b>
<b>NON-CURRENT</b>		
Lease liabilities	-	8,322
Other Loans (Term Creditors – Interest Free)	212,173	197,298
Total Non-Current Borrowings	<b>212,173</b>	<b>205,620</b>
Total Borrowings	<b>421,816</b>	<b>350,013</b>

**(a) 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.

	2022 \$	2021 \$
<b>16. PROVISIONS</b>		
<b>CURRENT</b>		
Employee Entitlements	212,743	182,601
<b>NON-CURRENT</b>		
Employee Entitlements	169,907	225,863
Employee Entitlements		
Opening balance at 1 January 2022	408,462	508,243
Net movement	(25,812)	(99,779)
Balance at 31 December 2022	382,650	408,464
<b>17. RESERVES</b>		
Analysis of Each Class of Reserves		
Asset Revaluation Reserve	4,576,243	4,576,243
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.		
<b>18. CONTINGENT LIABILITIES</b>		
Estimates of the potential financial effect of contingent liabilities that may become payable:		
<u>Bank Guarantees</u>		
The company has given a bank guarantee to TAB Limited	5,000	5,000
<u>Member's rewards point</u>		
Value of points yet to be redeemed by members	72,112	76,451

**19. EVENTS AFTER THE REPORTING PERIOD**

At the date of this report and in financial years subsequent to 31 December 2022, there are no other matters or circumstances which have arisen since 31 December 2022 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.

	2022 \$	2021 \$
<i>Financial liability and financial asset maturity analysis</i>		
	Within 1 Year	
<b>Financial liabilities due for payment</b>		
Bank Loans	-	-
Lease liability	8,322	10,691
Chattel Mortgage - Bank	201,321	133,702
Total contractual outflows	209,643	144,393
Total expected outflows	209,643	144,393
Net (outflow)/inflow on financial instruments	(209,643)	(144,393)
	1+ Years	
<b>Financial liabilities due for payment</b>		
Lease liability	-	8,322
Chattel Mortgage - Bank	212,173	197,298
Total contractual outflows	212,173	205,620
Total expected outflows	212,173	205,620
Net (outflow)/inflow on financial instruments	(212,173)	(205,620)
	Total	
<b>Financial Liabilities</b>		
Bank Loans	-	-
Lease liabilities	8,322	19,013
Chattel Mortgage - Bank	413,494	331,000
Total contractual outflows	421,816	350,013
Total expected outflows	421,816	350,013
Net (outflow)/inflow on financial instruments	(421,816)	(350,013)

## 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	2022 \$	2021 \$
Non-financial assets			
Freehold Land	12	6,050,000	6,050,000
<b>Total non-financial assets recognised at fair value on a recurring basis</b>		6,060,000	6,060,000
Liabilities			
Borrowings	15	421,816	350,013
<b>Total liabilities recognised at fair value</b>		421,816	350,013

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, W O'Brien, S Hamilton and B Roberts.

### 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 \$21,600.

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 2022, donations were made to the Sub Branch of \$5,700 (2021: \$4,200). 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.

	2022 \$	2021 \$
<b>25. CASH FLOW INFORMATION</b>		
<b>Reconciliation of cash flow from operations with (loss)/profit after income tax</b>		
(Loss)/Profit after income tax	(433,626)	(160,736)
Non-cash flows:		
Depreciation and Amortisation Expenses	1,263,687	1,277,133
Profit on disposal of property, plant and equipment	(22,144)	(29,027)
Changes in assets and liabilities:		
Decrease/(Increase) in Trade Debtors and Accrued Income	74,355	(131,489)
Decrease/(Increase) in Stock in Hand	45,460	(40,016)
(Increase)/Decrease in Prepayments	(886)	(34,313)
(Decrease)/Increase in Trade and Other Payables	(118,177)	376,713
Increase/(Decrease) in Provision for Income Tax	275	(9,458)
(Decrease)/Increase in Other Provisions	(25,813)	(99,779)
Increase/(Decrease) in Deferred Tax Assets	-	(41,089)
<b>Net cash provided by operating activities</b>	<b>783,131</b>	<b>1,107,939</b>

**26. (a) MOVEMENT IN CARRYING AMOUNTS**

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

	<b>Freehold Land (at valuation) \$</b>	<b>Club Buildings (at cost) \$</b>	<b>Plant and Equipment (at cost) \$</b>	<b>Poker Machines (at cost) \$</b>	<b>Computer Software (at cost) \$</b>	<b>Total \$</b>
Balance <sup>1</sup> January 2021	<b>6,050,000</b>	<b>10,937,781</b>	<b>1,200,135</b>	<b>1,609,514</b>	<b>2,896</b>	<b>19,800,326</b>
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)
<b>Carrying amount at 31 December 2021</b>	<b>6,050,000</b>	<b>10,378,304</b>	<b>1,231,245</b>	<b>1,721,146</b>	<b>7,810</b>	<b>19,388,505</b>
Additions	-	38,701	152,555	324,185	-	515,441
Disposals	-	-	-	(22,144)	-	(22,144)
Depreciation expense	-	(598,883)	(177,561)	(485,956)	(1,287)	(1,263,687)
<b>Carrying amount at 31 December 2022</b>	<b>6,050,000</b>	<b>9,818,122</b>	<b>1,206,239</b>	<b>1,537,231</b>	<b>6,523</b>	<b>18,618,115</b>

## 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 2022, 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 2022 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 G Stone – President



Director S Hamilton – Treasurer

Balgowlah

Dated: this 28<sup>th</sup> February 2023.

# 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 2022, 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 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards, 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 2022, 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 28<sup>th</sup> February 2023**

**Providing certainty**

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