

Toukley RSL Sub Branch Club Limited

ABN: 61 000 990 269

Financial Statements

For the Year Ended 30 June 2021

Toukley RSL Sub Branch Club Limited

ABN: 61 000 990 269

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For the Year Ended 30 June 2021

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Toukley RSL Sub Branch Club Limited

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Directors' Report For the Year Ended 30 June 2021

The directors present their report on Toukley RSL Sub Branch Club Limited for the financial year ended 30 June 2021.

Directors

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

Names	Position	Appointed/Resigned
Steve Chappell	Chairman	
Peter Whybourn	Senior Deputy Chairman	Appointed 25 October 2020
Ron Marlin	Junior Deputy Chairman	
Ken Piper	Director	
Robert Swift	Director	Resigned 25 October 2020
David Ragan	Director	Resigned 25 October 2020
Mark Dickson	Director	
Helen Motbey	Director	
Len Jackson	Director	Appointed 25 October 2020

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

Principal activities

The principal activity of Toukley RSL Sub Branch Club Limited during the financial year was the operation of a registered Club in accordance with its objectives and for the benefits of its members.

No significant changes in the nature of the Company's activity occurred during the financial year.

Short term objectives

The Club's short term objectives are to:

- To be a responsible business leader in the local community by:
 - Providing local commerce
 - Maintaining employment of local residents
- Provide the highest standard of facilities to Club members and their Guests;
- Provide structure to remain relevant to our members 'and guests' needs into the future; and
- Objectives to be achieved through fiscal management with a balance of consideration to all stake holders.

Long term objectives

The Club's long term objectives are to:

- Pay out all existing non-current debt;
- Implement all components from the updated strategic direction; and
- The Board of Directors recognise that revenues in traditional Club Gaming and Beverage operations is in a state-wide decline and therefore, we will consider, plan and implement diversification opportunities in order to lessen the reliance on these traditional revenues.

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Directors' Report For the Year Ended 30 June 2021

Strategy for achieving the objectives

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

- Strict adherence to adopted capital expenditure budgets;
- Suitable consultants are engaged to complete designs and make any required amendments to existing Development Approvals;
- Consolidate the Club's Organisation Chart to afford a Human Resources department to undertake new staff training and performance systems;
- Conduct a thorough analysis of our resources and assets to determine other business opportunities;
- Continuous development of the Club's marketing and loyalty systems to engage customers and increasing membership; and
- Increase profitability and cashflows through the successful implementation of marketing strategies and business modelling.

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Steve Chappell

Occupation	Warehouse (retired).
Qualifications	Printer (Trade), Responsible Service of Alcohol and Responsible Conduct of Gaming Certificate. Completion of ClubsNSW Online Courses in 'Director Foundation' and 'Financial Management'.
Experience	Board member.
Positions held in the Club	Director 5 years, Chairperson 2021.

Peter Whybourn

Occupation	Hospitality, Security Industry, Underground Miner, Sales Manager Bread Industry (retired).
Qualifications	Senior First Aid, Customer Relations Certificate, WHS Consultation Certificate, Responsible Service of Alcohol and Responsible Conduct of Gambling Certificates. Completion of ClubsNSW Online Courses in 'Director Foundation' and 'Financial Management'.
Experience	Owner/Director Private Inquiry Company (10 years), Dale Carnegie Certificate in Personal and Business Development.
Positions held in the Club	19.5 years full time employee of Club Toukley RSL, WHS Committee 7 years, 6 as Chairman, Director 4 years. Senior Deputy Chairperson 2021.

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Directors' Report For the Year Ended 30 June 2021

Information on directors (continued)

Ron Marlin

Occupation	Mobile Crane Operator. Field Service Concrete Plants and Self Employed (retired).
Qualifications	Trades Certificate in Sheetmetal and Boilermaker. Responsible Service of Alcohol Certificate and Responsible Conduct of Gaming Certificate.
Experience	St Marys J.R.L. (President and Committee). The Entrance Aquatic Club (Commodore and Committee). National Servicemen's Association (Past President 2002-2006, NSW National Servicemen's Reunion Committee (Deputy Chairman and Committee). Completion of ClubsNSW Online Courses in 'Director Foundation' and 'Financial Management'.
Position held in the Club	Life member, Director 13 years, Senior Deputy Chairman 2019-2020, Junior Deputy Chairman 2011-13, 2021.

Ken Piper

Occupation	Telecom 16 years and Domino Mining 9 years.
Qualifications	Work Cover Authority of NSW. Occupational Health and Safety Certificate. Responsible Service of Alcohol Certificate and Responsible Conduct of Gaming Certificate.
Experience	Material Control Officer and Payroll Officer. Stock Control and Quality Assurance Officer. Completion of ClubsNSW Online Courses in 'Director Foundation' and 'Financial Management'.
Positions held in the Club	Life member, Director 22 years, Chairman 2008-2012 and 2013-2019, Junior Deputy Chairman 2003-04 and 2005-07.

Robert Swift

Occupation	WHS Manager/Advisor (retired).
Qualifications	Graduate diploma WHS, University of Newcastle Safety Management Certificate, Gosford and Newcastle TAFE. Welfare Officer Certificate, Various computer training courses. Responsible Service of Alcohol and Responsible Conduct of Gaming Certificate. Completion of ClubsNSW Online Courses in 'Director Foundation' and 'Financial Management'.
Experience	25 years at Junior Management level working for State Rail Authority specialising in WHS, Risk Management and Quality Systems.
Positions held in the Club	Director 5 years, Chairman 2019-20.

David Ragan

Occupation	Hospitality (retired).
Qualifications	Responsible Service of Alcohol, Responsible Conduct of Gaming Certificate, Hospitality, Management, Club Supervisory Programme, Customer Relations Certificate, Train the Trainer Certificate, Poker Machine Management Course and Certificate IV in Assessment and Workplace Training.
Experience	Hospitality Management, Club Manager/Supervisor Mittagong RSL.
Positions held in the Club	Sub Branch Member, Bowling Club Member, Director 3 years, Junior Deputy Chairman 2019-2020.

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Directors' Report For the Year Ended 30 June 2021

Information on directors (continued)

Mark Dickson

Occupation Air Conditioning Technician
Qualifications Air Conditioning and Refrigeration
Experience Experience in building and installing of air-conditioning works in hospitals, clubs and multi-story buildings.
Positions held in the Club Fishing Club President (2016-2017), Fishing Club Treasurer (2019).
Director 2 years.

Helen Motbey

Occupation Business Manager, Information and Technology Division, Department of Finance (2007 - 2018), Business Manager - Marketing and Merchandising and Head of Imaging and Publishing Services at National Gallery of Australia (2004 - 2007), Commercial Operations Manager at Australian War Memorial (1990 - 2004). (Retired)
Qualifications Graduate certificate in Public Sector Management (Flinders University 2002), Strategic Planning and Management in Retail (Monash University 2004), ITIL Service Management Foundation Certificate (British Computer Society 2007), Prince 2 Practitioner (APMG International 2011), Change Management Practitioner (APMG International 2012).
Experience Director - CJS Nominees, Advocacy Support for people with disabilities and their carers, Toastmasters International, Ginninderra Toastmasters (Vice President Membership, Vice President and President 2012 - 2017).
Position held in the Club Director 2 years.

Len Jackson

Occupation (Current): Retired Occupation (Previous): 30 years experience in waste management including supervision of operations department, truck driving and union delegate, 18 years self-employed carpet layer.
Qualifications Accountancy experience
Experience Director 1 year, Director of Belfield Bowling Club for 3 years, understanding of Constitution, rules and policies of the Club, ability to distinguish between Board and operational matters, familiarity with attending Board and Sub Club committee meetings, ability to maintain confidentiality and ability to communicate with members, staff and management
Position held in the Club Bowling Club member 11 years, Bowling Club Selections Committee 3 years. Director 1 year

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

Members' guarantee

Toukley RSL Sub Branch Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 2, subject to the provisions of the company's constitution.

At 30 June 2021 the collective liability of members was \$ 32,846 (2020: \$ 34,924).

Toukley RSL Sub Branch Club Limited

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Directors' Report For the Year Ended 30 June 2021

Future developments and results

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

Core and non-core property

In accordance with Section 41J of the Registered Clubs Act, the Club's Property Assets are classified as Non-Core Property. The Club does not have any property classified as Core property.

Meetings of directors

During the financial year, 16 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

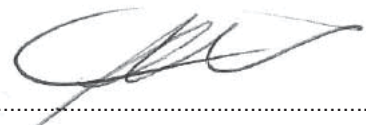
	Directors' Meetings		Special Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Ken Piper	12	12	4	3
Peter Whybourn	9	9	1	1
Steve Chappell	12	12	4	4
Ron Marlin	12	3	4	3
Robert Swift	3	3	3	3
David Ragan	3	3	3	3
Mark Dickson	12	11	4	4
Helen Motbey	12	12	4	3
Len Jackson	9	9	1	1

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2021 has been received and can be found on page 6 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: 

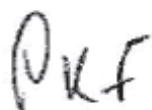
Director: 

Dated 27/9/21

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 To the Directors of Toukley RSL Sub Branch Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, there have 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.



PKF



KYM REILLY
PARTNER

27 SEPTEMBER 2021
SYDNEY, NSW

Toukley RSL Sub Branch Club Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue	4	14,039,277	12,128,774
Changes in inventories		10,424	564
Raw materials and consumables used	5	(1,765,000)	(1,726,298)
Employee benefits expense		(4,240,269)	(4,397,738)
Poker machine duty expense		(1,669,751)	(1,272,435)
Depreciation and amortisation expense		(952,286)	(1,112,255)
Insurance expense		(132,675)	(100,518)
Repairs and maintenance expense		(307,131)	(364,143)
Utilities expense		(221,410)	(262,940)
Security expense		(54,644)	(47,788)
Advertising expense		(47,968)	(72,742)
Cleaning expense		(183,273)	(137,446)
Member and administration expense		(306,934)	(356,507)
Promotional and entertainment expense		(666,008)	(1,011,432)
Other expenses		(951,026)	(739,399)
Finance expenses		(18,623)	(24,489)
Profit before income tax		2,532,703	503,208
Income tax (expense)/benefit	6	(125,859)	(6,402)
Profit for the year		2,406,844	496,806
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		2,406,844	496,806

The accompanying notes form part of these financial statements.

Toukley RSL Sub Branch Club Limited

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Statement of Financial Position

As At 30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	6,589,662	3,787,600
Trade and other receivables		42,869	219,587
Inventories		106,063	95,639
Other assets	9	392,034	164,098
TOTAL CURRENT ASSETS		<u>7,130,628</u>	<u>4,266,924</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	10,464,037	11,100,972
Deferred tax assets		51,410	29,483
Intangible assets		16,200	16,200
Right-of-use assets	10	514,081	654,471
TOTAL NON-CURRENT ASSETS		<u>11,045,728</u>	<u>11,801,126</u>
TOTAL ASSETS		<u>18,176,356</u>	<u>16,068,050</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	773,554	1,090,999
Borrowings		-	38,450
Current tax liabilities		96,705	(6,052)
Lease liabilities		151,494	229,251
Employee benefits	12	443,385	449,514
TOTAL CURRENT LIABILITIES		<u>1,465,138</u>	<u>1,802,162</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities		52,420	12,603
Lease liabilities		172,704	194,742
Employee benefits	12	113,674	92,967
TOTAL NON-CURRENT LIABILITIES		<u>338,798</u>	<u>300,312</u>
TOTAL LIABILITIES		<u>1,803,936</u>	<u>2,102,474</u>
NET ASSETS		<u>16,372,420</u>	<u>13,965,576</u>
EQUITY			
Retained earnings		<u>16,372,420</u>	<u>13,965,576</u>
TOTAL EQUITY		<u>16,372,420</u>	<u>13,965,576</u>

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 30 June 2021

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2020	13,965,576	13,965,576
Profit for the year	2,406,844	2,406,844
Other comprehensive income	-	-
Balance at 30 June 2021	16,372,420	16,372,420
Balance at 1 July 2019	13,468,770	13,468,770
Profit for the year	496,806	496,806
Other comprehensive income	-	-
Balance at 30 June 2020	13,965,576	13,965,576

The accompanying notes form part of these financial statements.

Toukley RSL Sub Branch Club Limited

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Statement of Cash Flows For the Year Ended 30 June 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	15,425,649	12,943,848
Payments to suppliers and employees	(12,221,250)	(11,279,667)
Interest received	12,167	542
Interest paid	(18,623)	(24,489)
Income taxes paid	(5,212)	(25,717)
Net cash provided by operating activities	17 3,192,731	1,614,517
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	97,834	76,180
Purchase of property, plant and equipment	(169,253)	(346,185)
Net cash used in investing activities	(71,419)	(270,005)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(38,450)	-
Payment of lease liabilities	(280,800)	(321,861)
Net cash used in financing activities	(319,250)	(321,861)
Net increase in cash and cash equivalents held	2,802,062	1,022,651
Cash and cash equivalents at beginning of year	3,787,600	2,764,949
Cash and cash equivalents at end of financial year	7 6,589,662	3,787,600

The accompanying notes form part of these financial statements.

Toukley RSL Sub Branch Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2021

The financial report covers Toukley RSL Sub Branch Club Limited is a not-for-profit individual entity.

The functional and presentation currency of Toukley RSL Sub Branch Club Limited is Australian dollars.

The financial report was authorised for issue by the Directors on .

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements 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.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Club expects to receive in exchange for those goods or services.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Club have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

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

Specific revenue streams

Sale of goods

Revenue is recognised on the transfer of goods to the customer as this is deemed to be the point in time when risk and rewards are transferred and there is no longer any ownership of effective control over the goods.

Gaming Revenue

Gaming revenue is recognised in the statement of comprehensive income when the services are provided to members and other patrons of the Club.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies (continued)

(a) Revenue and other income (continued)

Specific revenue streams (continued)

Raffle Revenue

Raffle income is recognised in the statement of comprehensive income when the services are provided to members and other patrons of the Club.

Interest Revenue

Interest is recognised using the effective interest method.

(b) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income relates to current income tax expense plus deferred tax expense (being the movement in deferred tax assets and liabilities and unused tax losses during the year).

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current tax assets and liabilities are offset where there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset where there is a legal right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period that significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period, except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is also recognised in other comprehensive income or equity.

(c) Goods and services tax (GST)

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

Toukley RSL Sub Branch Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies (continued)

(c) Goods and services tax (GST) (continued)

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(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.

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

Plant and equipment are measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset. Capital items of plant and equipment are measured on a cost basis.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised leased assets but excluding freehold land, is depreciated on a straight line or reducing balance basis over the asset's useful life to the Club commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Land is not depreciated.

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

Fixed asset class	Depreciation rate
Clubhouse Improvements	2.5%
Plant and Equipment	5 - 40%
Computer Software	25 - 33.33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(e) Financial instruments

Financial instruments are recognised initially on the date that the Club becomes party to the contractual provisions of the instrument.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Club classifies its financial assets into the following categories, those measured at:

- amortised cost

fair value through profit or loss or other comprehensive income

Financial assets are not reclassified subsequent to their initial recognition unless the Club changes its business model for managing financial assets.

The Club's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Club considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Club's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Club in full, without recourse to the Club to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Financial assets (continued)

Credit losses are measured as the present value of the difference between the cash flows due to the Club in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Club measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Club comprise trade payables, bank and other loans and lease liabilities.

(f) Cash and cash equivalents

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

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(g) Leases

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Club's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Club's assessment of lease term.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies (continued)

(g) Leases (continued)

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(h) Employee benefits

Provision is made for the Club's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national corporate bonds with terms to maturity that match the expected timing of cashflows.

Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Club does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, regardless of the classification of the liability for measurement purposes under AASB 119.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Estimation of useful lives

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

Long service leave provision

As discussed in Note 1(h), the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Toukley RSL Sub Branch Club Limited

ABN: 61 000 990 269

Notes to the Financial Statements For the Year Ended 30 June 2021

4 Revenue and Other Income

	2021	2020
	\$	\$
Revenue recognised at a point in time		
- Sale of goods - Bar services	1,787,074	1,669,618
- Sale of goods - Catering operations	2,229,443	2,025,834
- Sale of goods - Bottle shop	200,212	224,114
- Gaming revenue	8,016,518	6,306,889
- Other revenue	656,167	624,921
- Raffle income	259,560	495,032
- Government subsidy (COVID)	798,849	706,000
- Interest received	12,167	542
- Profit from sale of non-current assets	79,287	75,824
	<u>14,039,277</u>	<u>12,128,774</u>

5 Result for the Year

The result for the year includes the following specific expenses:

Cost of sales

Cost of sales - Bar services	696,025	693,625
Cost of sales - Catering operations	772,958	694,254
Cost of sales - Bottle shop	150,860	181,569
Cost of sales - Other	134,733	156,286
Changes in inventories	10,424	564
	<u>1,765,000</u>	<u>1,726,298</u>

6 Income Tax Expense

(a) The major components of tax expense (income) comprise:

Current tax (expense)/benefit

Current tax	107,969	12,326
Deferred tax	17,890	(5,326)

Deferred tax expense

Change in tax rates	-	(598)
	<u>125,859</u>	<u>6,402</u>

(b) Reconciliation of income tax to accounting profit:

Prima facie tax payable on profit from ordinary activities before income tax at 26% (2020: 27.5%)	658,503	138,382
Tax effect of:		
- non-taxable member income arising from principle of mutuality	(532,644)	(131,980)
Income tax expense	<u>125,859</u>	<u>6,402</u>

Toukley RSL Sub Branch Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2021

7 Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash on hand	1,102,558	872,233
Bank balances	5,460,732	2,879,694
Other cash and cash equivalents	26,372	35,673
	<u>6,589,662</u>	<u>3,787,600</u>

8 Property, plant and equipment

LAND AND BUILDINGS		
Freehold land, at cost	3,720,446	3,720,446
Clubhouse improvements		
At cost	7,722,540	7,700,090
Accumulated amortisation	(2,036,290)	(1,804,000)
	<u>5,686,250</u>	<u>5,896,090</u>
Buildings		
At cost	265,688	265,688
Accumulated depreciation	(46,883)	(31,806)
	<u>218,805</u>	<u>233,882</u>
PLANT AND EQUIPMENT		
Capital works in progress, at cost	7,750	164,499
Plant and equipment		
At cost	8,255,412	8,107,260
Accumulated depreciation	(7,424,626)	(7,021,205)
	<u>830,786</u>	<u>1,086,055</u>
Computer software		
At cost	25,380	25,380
Accumulated depreciation	(25,380)	(25,380)
	<u>-</u>	<u>-</u>
	<u>10,464,037</u>	<u>11,100,972</u>

Toukley RSL Sub Branch Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2021

8 Property, plant and equipment (continued)

(a) Movements in Carrying Amounts

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

	Capital Works in Progress	Land	Buildings	Plant and Equipment	Clubhouse Improvement	Total
	\$	\$	\$	\$	\$	\$
30 June 2021						
Opening balance	164,499	3,720,446	218,805	1,086,055	5,896,090	11,085,895
Additions	-	-	-	70,427	22,449	92,876
Disposals	-	-	-	(18,547)	-	(18,547)
Write-off	(156,749)	-	-	-	-	(156,749)
Transfer - right of use	-	-	-	163,748	-	163,748
Depreciation expense	-	-	(15,077)	(470,897)	(232,289)	(718,263)
Closing balance	7,750	3,720,446	203,728	830,786	5,686,250	10,448,960

9 Other Assets

	2021	2020
	\$	\$
CURRENT		
Prepayments	202,550	13,137
Clubz4Fun	150,000	100,000
Other assets	39,484	50,961
	392,034	164,098

10 Leases

The Club leases equipment with lease terms varying from 3 to 5 years, the lease payments are fixed during the lease term.

Right-of-use assets

	Equipment	Total
	\$	\$
Year ended 30 June 2021		
Balance at beginning of year	654,471	654,471
Depreciation charge	(234,022)	(234,022)
Additions to right-of-use assets	257,380	257,380
Transfer to property, plant & equipment	(163,748)	(163,748)
Balance at end of year	514,081	514,081

Toukley RSL Sub Branch Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2021

10 Leases (continued)

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Club is a lessee are shown below:

	2021	2020
	\$	\$
Interest expense on lease liabilities	(5,997)	(22,854)
Expenses relating to leases of low-value assets	5,680	(4,964)
Variable lease payments	(17,841)	(17,968)
Depreciation of right-of-use assets	(234,023)	(275,271)
	<u>(252,181)</u>	<u>(321,057)</u>

11 Trade and Other Payables

CURRENT

Trade payables	513,919	299,367
Sundry payables and accrued expenses	176,779	177,943
Gaming tax payable	82,856	613,689
	<u>773,554</u>	<u>1,090,999</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

12 Employee Benefits

Current liabilities

Long service leave	173,517	193,211
Provision for employee benefits	269,868	256,303
	<u>443,385</u>	<u>449,514</u>

Non-current liabilities

Long service leave	113,674	92,967
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13 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 2 each towards meeting any outstandings and obligations of the Company. At 30 June 2021 the number of members was 16,423 (2020: 17,462).

14 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company is \$ 254,212 (2020: \$ 245,309).

Toukley RSL Sub Branch Club Limited

ABN: 61 000 990 269

Notes to the Financial Statements For the Year Ended 30 June 2021

15 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2021 (30 June 2020: None).

16 Related Parties

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

17 Cash Flow Information

(a) Non-cash financing and investing activities

	2021	2020
	\$	\$
Acquisition of assets by means of leases	<u>181,005</u>	<u>126,269</u>

18 COVID-19

On Saturday 26th June 2021, the Government updated the public health order in respect to the coronavirus pandemic which resulted in the Club being required to close. These restrictions remain in place at the date of this financial report and, until at least Friday 10th September 2021, however the ability for the Club to re-open at this time is dependant on when the Government lifts the current restrictions. Despite the period of non-trading and uncertainty over reopening, the directors have performed an assessment of the Club's financial position and have determined that the Club has sufficient assets to meet its current obligations as they fall due. The Club will continue to apply for available Government stimulus grants to benefit the Club and its employees.

19 Events after the end of the Reporting Period

The financial report was authorised for issue on _____ by the Board of Directors.

As at the date of this financial report, the Club's operations remain closed due to the public health order in response to COVID19 as disclosed in Note 18.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

20 Statutory Information

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

Toukley RSL Sub Branch Club Limited
35 - 47 Holmes Avenue
Toukley NSW 2263

Toukley RSL Sub Branch Club Limited

ABN: 61 000 990 269

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 8 to 21, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2021 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.

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

Director: 

Director: 

Dated 27/9/21

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TOUKLEY RSL SUB BRANCH CLUB LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Toukley RSL Sub Branch Club Limited (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Toukley RSL Sub Branch Club Limited, is in accordance with the Corporations Act 2001, including:

- (a) Giving a true and fair view of the company's financial position as at 30 June 2021, and of its financial performance for the year then ended; and
- (b) Complying with the Australian Accounting Standards – Reduced Disclosure Requirements and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon.

Other Information (cont'd)

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 – Reduced Disclosure Requirements and the Corporations Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has 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 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 the financial report.

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

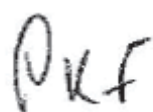
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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.
- 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.

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- 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.

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.

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 reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.



PKF



KYM REILLY
PARTNER

27 SEPTEMBER 2021
SYDNEY, NSW