

Merimbula RSL Club



...something for everyone

20202021
FINANCIAL REPORT

MERIMBULA
RSL CLUB

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

ANNUAL GENERAL MEETING

To be held in the Merimbula RSL Club on Wednesday, 8th December, 2021, at 7.15pm.

MEETING AGENDA:

1. Apologies.
2. Confirmation of Minutes for Annual General Meeting held on 11th November, 2020.
3. To receive and consider the Financial Statement of the Company for the year ended 30th June, 2021, and the Reports by Directors and Auditors thereon.
4. First Ordinary Resolution: President's Honorarium.
5. Second Ordinary Resolution: Director's Honorarium.
6. Third Ordinary Resolution: Expenditure on Directors' food, beverages and other expenses.
7. Fourth Ordinary Resolution: Expenditure on Directors' educational and seminar expenses.
Note: The Ordinary Resolutions 1 to 4 are printed on page 1 of this Notice and Notes on the Ordinary Resolutions are printed on page 2 of this Notice.
8. **General Business:** Notice of which was supplied to the Secretary Manager in writing prior to this meeting.
9. Election of Directors.

By order of the Board,

M. MUTSCH
Secretary Manager

25th October, 2021

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

ORDINARY RESOLUTIONS

NOTICE is hereby given that at the Annual General Meeting of the MERIMBULA RSL CLUB LIMITED to be held on Wednesday, 8th December, 2021, commencing at 7.15pm, on the Club premises at 52-54 Main Street, Merimbula, New South Wales, the Members will be asked to consider, and if thought fit, pass the following resolutions.

FIRST ORDINARY RESOLUTION:

Item 4 of the Agenda: President's Honorarium:

That pursuant to the Registered Clubs Act 10 (6) (b):

"The Members hereby approve an amount of \$9,074 be paid to the President as an Honorarium for the 2021/22 Financial Year."

SECOND ORDINARY RESOLUTION:

Item 5 of the Agenda: Directors' Honorarium:

That pursuant to the Registered Clubs Act 10 (6) (b):

"The Members hereby approve an amount of \$3,249 to each of the two (2) Vice-Presidents and \$2,237 to each of the four (4) other Directors as a Directors' Honorarium for the 2021/22 Financial Year."

THIRD ORDINARY RESOLUTION:

Item 6 of the Agenda: Directors' Food, Beverages and Other Expenses:

That pursuant to the Registered Clubs Act:

- (a) "The Members hereby approve and agree to reasonable expenditure by the Club until the next Annual General Meeting of the Club for the following activities of Directors:
- (i) The reasonable cost of a meal and beverage for each Director immediately before or immediately after a Board or Committee Meeting where the Meeting corresponds with a normal meal time.
 - (ii) Reasonable expenses incurred by Directors in relation to such duties including the entertainment of special guests to the Club and other promotional activities performed by Directors which activities and the expenses there from are approved by the Board before payment is made on production of receipts, invoices or other documentary evidence of such expenditure.
 - (iii) Reasonable expenditure on food and beverages for Directors and their spouses on one dinner per year and other functions where appropriate and required to represent the Club."
- (b) "The Members acknowledge that the benefits in paragraph (a) above are not available to Members generally but only for those who are Directors of the Club."

FOURTH ORDINARY RESOLUTION:

Item 7 of the Agenda: Directors' Educational and Seminar Expenses:

That pursuant to the Registered Clubs Act:

- (a) "The Members hereby approve and agree to reasonable expenditure by the Club for the professional development and education of Directors until the next Annual General Meeting of the Club and being:
- (i) The reasonable cost of Directors attending the Clubs NSW Annual General Meeting.
 - (ii) The reasonable cost of Directors attending seminars, lectures, trade displays and other similar events as may be determined by the Board from time to time.
 - (iii) The reasonable cost of Directors attending other Registered Clubs or similar types of businesses for the purpose of observing their facilities and methods of operation provided such attendances are approved by the Board as being necessary for the betterment of the Club.
 - (iv) Attendance at functions with spouses where appropriate, and required to represent the Club."
- (b) "The Members acknowledge that the benefits in paragraph (a) above are not available to Members generally but only to those who are Directors of the Club and those Members directly involved in the above activities."

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

NOTES TO MEMBERS ON ORDINARY RESOLUTIONS

These notes are to be read in conjunction with the proposed Resolutions.

1. **Item 4: President's Honorarium**

The purpose of the first resolution is to seek Members approval in a General Meeting, an Honorarium to the President of no more than \$9,074 for the 2021/22 Financial Year.

The existing President Honorarium has been approved at a previous General Meeting and increases by CPI each year.

2. **Item 5: Directors' Honorarium**

The purpose of the second resolution is to seek Members approval in a General Meeting, the recommended amount of \$3,249 for the two (2) Vice Presidents and \$2,237 for the four (4) Directors pursuant to point (8.6) of the Club's Constitution and 10 (6) (b) of the Registered Clubs Act.

The existing Directors' Honorariums have been approved at a previous General Meeting and increases by CPI each year.

3. **Item 6: Directors' Food, Beverages and Other Expenses**

The third resolution is to have Members in a General Meeting approve reasonable expenditure by the Club in relation to duties performed by the Club's Directors.

4. **Item 7: Directors' Educational and Seminar Expenses**

The fourth resolution is to have Members in a General Meeting approve reasonable expenditure by the Club for Directors to attend seminars, lectures, trade displays and other similar events including the Clubs NSW Annual General Meeting and to visit other clubs to enable the Club's governing body to keep abreast of current trends and developments which may have a significant bearing on the nature and way in which the Club conducts its business.

5. Each of the resolutions must be passed as a whole and cannot be amended from motions from the floor of the meeting or divided into two or more separate resolutions.

6. To be passed, each Ordinary Resolution must receive votes in its favour from not less than a simple majority of those Members, who being entitled to do so, vote in person at the meeting.

By order of the Board,

M. MUTSCH
Secretary Manager

25th October, 2021

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

PRESIDENT'S REPORT

Members,

On behalf of the Board of Directors, I have much pleasure in presenting the Financial report of the Club for the Financial Year 2020/2021.

The operational Surplus of \$1,777,165.00 before income tax reflects our revenue streams from trading activities, and significant assistance from Government towards the costs from Covid-19 as impacted on our trading and lockdown periods during the year.

It is pleasing to note that Management and Staff again responded in a most positive manner to enable the Club to continue providing services and hospitality to members and visitors, even with restrictions, protocols and regulations which required ongoing monitoring by Staff and Management.

During the year the Club was able to carry out long overdue repairs/replacement of the roof of the building at a Cost of \$457,800. The works included improvements to accessibility, safety features, and re-installation of all roof air-conditioning units.

The Club is currently in a sound financial position with a solid Balance Sheet and cash resources from which future business opportunities may be considered.

To my fellow Directors, I again thank you personally for your support and commitment during another difficult year. The Board continues to operate effectively as a united body which was again crucial to the trading environment faced during the year.

The Club has continued to support the RSL Sub-Branch as it has done in the past.

To the members who have lost loved ones during the year, my condolences.

Finally, best wishes to all our members, board, staff and visitors during this time of the Pandemic.

GRAEME WILLIAMS

President

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

SECRETARY MANAGER'S REPORT

I am pleased to report on the 2020/21 financial year which recorded an extraordinary result of \$1,777,165.00. I call this an extraordinary result as it was a tale of two halves. In the first six months, trading was effected by restrictions due to the Covid 19 pandemic and lockdowns. The Club's trade was well under 30% and if it wasn't for the Government's Jobkeeper payments, the Clubs trading profit would have been very different. For the second year in a row, a lockdown occurred at our busiest trading month and visitors were again asked to leave Merimbula and head home.

In the second six months, restrictions were eased and the Club was able to bring back the much anticipated promotions being Bingo, raffles and Members' draws. In these six months (after we got over the closing of the Borders at Christmas) trade came back bigger and better than other years. At this part of the report there are usually comparisons on how the Club traded against other years. But due to the pandemic going over two years, I will let you make up your own mind on how the Club traded through this year's Financial Report.

During the year, the house committee identified that the roof was in bad repair and required replacing. The Club received quotes and the Board resolved that the Club go ahead with the project which went a bit longer than planned due to rain and windy conditions.

I again would like to say thank you to the current board of the Merimbula RSL Club who have actively assisted Management over the past twelve months. Having a board with experience across all aspects certainly makes our jobs a lot easier. Thank you to all the staff who go above and beyond to make our club such a great place with special thanks going to the other members of Management, Supervisors and Senior staff.

Again to the members, I sincerely thank you for your continued support of our Club during another turbulent year and we look forward in seeing you in the coming year.

MICHAEL MUTSCH
Secretary Manager

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

DIRECTORS' REPORT

Your Directors present their report on the company for the year ended 30th June, 2021.

Directors:

Names of Directors in office at any time during or since the end of the year are: Mr Allan F. Browning, Mr Philip J. Cheek, Mr John F. Finn, Mr Ian J. Powell, Mr David J. Rankin, Ms Hannah L. Rossi, Mr Graeme N. Williams.

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

Company Secretary:

The following person held the position of Company Secretary at the end of the financial year.

Mr Michael Mutsch – Diploma in Club Management, Justice of the Peace. Mr Mutsch has worked for the Merimbula R.S.L Club for the past (25) twenty five years in a Management role. Mr Mutsch was appointed Company Secretary on 4th September, 1998.

Principal Activities:

The principal activities of the Company in the course of the year were that of a Registered Club. There were no significant changes in the nature of the company's activities during the year.

Short Term Objectives:

The short term objectives remain constant with the emphasis on revenue of gaming, beverage sales, provision of meals and entertainment to members and their guests. The Medium term strategies are centred on the identification of threats to our Club and industry which is monitored through our most recent "Risk Analysis and Strategic Plan."

Long Term Objectives:

In the long term, the Company's primary objective is to investigate and implement successful alternate revenue streams that complement the Club's core business whilst still maintaining the principle activities of the company.

The Company adopts current registered club industry practices and strategies to ensure that the short and long term objectives are met.

Measurement of Performance:

The Company assesses its performance in terms of its achievement of strategic and financial objectives with reference to:

- the quality of the service and facilities provided to members;
- the ability to generate strong cash flows from its operating activities;
- the trading and overall financial result; and
- the stability of the statement of financial position with respect to the Company's liquidity.

Result:

The net profit after providing for income tax expense is made up as follows:

Net Profit before Income Tax Expense	\$1,777,165
Minus: Income Tax Expense	<u>(\$120,210)</u>
Net Operating Profit	<u>\$1,656,955</u>

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

DIRECTORS' REPORT *(continued)*

Review of Operations:

The Clubs net operating profit before income tax expense for the year was \$1,777,165 which increased by \$1,669,674 on the 19/20 financial year. The Club's main sources of revenue came from food, beverage and gambling operations which serviced the social requirements of the members and visitors. In the 2020/21 financial year the operating profit was assisted by Government Jobkeeper payment, cashflow boost in the first half of the year and increased trading in the second half.

Significant Changes in State of Affairs:

The following changes in the state of affairs of the Company occurred during the year.

- i) Due to the COVID-19 Pandemic, the Clubs main operations are still being impacted by Government Regulations and strict trading restrictions and guidelines that are still in place on the Club by NSW Public Health Orders.

After Balance Date Event:

The Club was required to cease trade on 14th August 2021 after a NSW Government mandated shutdown. The Club remained closed until the 15th September 2021. Reopening will be in line with the state and federal health guidelines, to ensure all COVID-19 measures are put in place for the safety of patrons.

The Club continually monitors the current COVID-19 situation and ensures that sufficient cash reserves are available to fund additional short-term potential shutdowns.

Members' Details and Guarantee:

The number of registered members of the Club as at the 30th June, 2021 is 8,370 (last year 7,514) consisting of 119 Service Members, 8,250 Club Members and 1 Honorary Life Member.

As a Company Limited by guarantee, every member of the Company has undertaken to contribute an amount not exceeding \$2.00 on the event of the Company being wound up. Such contribution will only be required in the event that assets of the Company are insufficient to meet the payments of the debt and liabilities of the Company at the time of winding up, including the costs, charges and expenses of the winding up. The amount will be payable by all existing members at the time of winding up and those members ceasing membership one year prior to that date.

Additional Information on Directors:

Mr Allan F. Browning: Garden Centre Owner, member of House and Catering Committees, Service Board member since 30/8/10, no other Directorships held.

Mr Philip J. Cheek: Retired, member of the Finance and Catering Committees, Service Board Member since 24/10/12, no other Directorships held.

Mr John F. Finn: Retired, member of Finance and Strategic Planning Committees, Service Board member since 29/10/08, no other Directorships held.

Mr Ian J. Powell: Retired, member of the Finance and House Committees, Club Board Member since 25/10/17, no other Directorships held.

Mr David J. Rankin: Retired, member of the House and Catering Committees, Club Board Member since 28/7/14, no other Directorships held.

Ms Hannah L. Rossi: Manager for The Commonwealth Bank, member of the House and Strategic Planning Committees, Club Board Member since 28/8/17, no other Directorships held.

Mr Graeme N. Williams: CPA, Retired, President and member of the Finance and Strategic Planning Committees, Service Board Member since 27/10/99, no other Directorships held.

Each Director is a financial Member of the Merimbula RSL Club Limited.

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

DIRECTORS' REPORT *(continued)*

Meetings of Directors:

During the financial year 34 meetings of Directors (including committees) were held. Attendances were:

	Directors' Meetings:		Committee Meetings:	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Allan F. Browning	13	12	10	10
Philip J. Cheek	13	13	21	20
John F. Finn	13	13	12	12
Ian J. Powell	13	12	16	15
David J. Rankin.	13	13	9	6
Hannah L. Rossi	13	10	9	0
Graeme N. Williams	13	13	14	13

Auditor's Independence Declaration:

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act, 2001, is set out in the following page of the financial report.

This report is made in accordance with a resolution of the directors on 25th October, 2021.

G.N. WILLIAMS, Director

P.J. CHEEK, Director

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

AUDITOR'S INDEPENDENCE DECLARATION

Under Section 307C of the Corporations Act 2001 to the Directors of Merimbula RSL Club Limited. I declare that, to the best of my knowledge and belief, during the year ended 30th 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.

RICHARD C PARBERY FCPA
Registered Company Auditor (1864)

25th October, 2021
101 Main Street, Merimbula, NSW 2548

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The Financial Statements and Notes for the year ended 30th June, 2021 are in accordance with the Corporations Act 2001.
 - (a) Comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
 - (b) Give a true and fair view of the financial position of the Company as at 30th June, 2021 and of its performance for the year ended on that date.
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 the resolution of the Board of Directors and is signed for and on behalf of the Directors by:

G.N. WILLIAMS, Director
P.J. CHEEK, Director

*Dated at Merimbula,
25th October, 2021*

BOARD OF DIRECTORS 2020/21



Back from left: Hannah Rossi, Dave Rankin, Michael Mutsch (Secretary Manager), John Finn, Ian Powell; front from left: Phil Cheek (Vice-President), Graeme Williams (President), Allan Browning (Vice-President)

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

**STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME***For the year ended 30th June, 2021*

2020 \$		Note	2021 \$
9,817,149	Revenue	1(c)	12,025,317
21,594	Finance Income		14,326
(1,863,702)	Cost of Sales		(2,082,353)
(4,337,090)	Employees Expenses		(4,451,130)
(26,112)	Financial Expenses		(34,898)
(12,865)	Members' Amenities		(7,102)
(69,555)	Property Expenses		(66,071)
(834,062)	Depreciation		(754,226)
(714,084)	Poker Machine Tax		(1,000,678)
(360,889)	Promotions		(175,390)
(250,423)	Electricity and Gas		(264,011)
(144,555)	General Insurance		(166,178)
(39,720)	Printing, Postage and Stationery		(34,783)
(180,995)	Repairs and Maintenance		(226,108)
(151,520)	TAB Expense		(159,208)
(745,680)	Other Expenses		(840,342)
107,491	Operating Profit before Income Tax	2	1,777,165
0	Other Comprehensive Income		0
107,491	Profit for the Year		1,777,165
840	Income Tax Attributable to Profit	4	(120,210)
108,331	Profit Attributable to Members of the Company		1,656,955

The accompanying Notes form part of the above Statement

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

STATEMENT OF FINANCIAL POSITION*As at 30th June, 2021*

2020 \$		Note	2021 \$
	Current Assets:		
2,747,521	Cash	6	5,522,207
305,195	Receivables	7	826
13,956	Deferred Tax	4A	24,423
157,249	Inventories	8	171,278
175,650	Other	9	228,291
3,399,571	Total Current Assets		5,947,025
	Non Current Assets:		
11,583,816	Property, Plant and Equipment	10	11,420,047
11,583,816	Total Non Current Assets		11,420,047
14,983,387	Total Assets		17,367,072
	Current Liabilities:		
421,788	Payables	11	989,643
815,920	Provisions	12 & 12a	898,587
23,464	Income in Advance	13	28,197
434,632	Current Tax Liabilities	14	490,002
1,695,804	Total Current Liabilities		2,406,429
	Non Current Liabilities:		
69,634	Provisions	12	76,495
35,756	Income in Advance	13	45,000
105,390	Total Non Current Liabilities		121,495
1,801,194	Total Liabilities		2,527,924
13,182,193	Net Assets		14,839,148
	Members' Funds:		
336,242	Reserves	17	336,242
12,845,951	Retained Profits		14,502,906
13,182,193	Total Members' Funds		14,839,148

The accompanying Notes form part of the above Statement of Financial Position

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

STATEMENT OF CHANGES IN EQUITY

For the year ended 30th June, 2021

2020 \$		2021 \$
13,073,862	Total Equity at the beginning of the Financial Year	13,182,193
108,331	Operating surplus attributable to the members of the Company	1,656,955
13,182,193	Total Equity at the end of the Financial Year	14,839,148

STATEMENT OF CASH FLOWS

For the year ended 30th June, 2021

2020 \$		Note	2021 \$
	Cash Flow from Operating Activities:		
9,746,308	Receipts from Customers		11,927,740
(9,105,117)	Payments to Suppliers and Employees		(9,070,539)
18,070	Members' Subscriptions		44,678
22,552	Interest Received		12,920
681,813	Net Cash provided by Operating Activities	5	2,914,799
	Cash Flow from Investing Activities:		
(357,631)	Payment for Property, Plant and Equipment		(127,943)
(5,125)	Payment for Property Club Renovations		(12,170)
(362,756)	Net Cash used in Investing Activities		(140,113)
	Cash Flow from Financing Activities:		
0	Repayments of Borrowings		0
0	Net Cash used in Financing Activities		0
319,057	Net (Decrease)/Increase in Cash held		2,774,686
2,428,464	Cash at Beginning of Financial Year		2,747,521
2,747,521	Cash at End of Financial Year	6	5,522,207

The accompanying Notes form part of the above Cash Flow Statement

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation:

The Merimbula RSL Club Limited applies Australian Accounting Standards – Reduced Disclosure Requirements as set in AASB 1053: Application of Tiers of Australian Accounting Standards.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. 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 the 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.

The financial statements were authorised for issue on 25th October, 2021 by the directors of the company.

Accounting Policies:

(a) **Inventories:** Inventories are measured at the lower of cost and net realisable value.

(b) **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.

1. **Property:**

Freehold land and buildings are shown at cost less subsequent depreciation for buildings. It is the policy of the economic entity to have an independent valuation every three years, by external independent valuer, with annual appraisals being made by Directors – refer Note 10.

2. **Plant and Equipment:**

Plant and Equipment are measured on the cost basis and are therefore carried at cost, less where applicable, accumulated depreciation and any accumulated impairment.

In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present – refer Note 1(m).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

3. **Depreciation:**

The depreciable amount of all fixed assets including building and capitalised lease assets but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the entity commencing from the time the asset is available 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.

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Accounting Policies: *(continued)*

Depreciation: *(continued)*

The depreciation rates used for each class of depreciable assets are:-

Class of Fixed Asset:	Depreciation Rate:
Buildings	2.5% to 5%
Plant and Equipment	10% to 22.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or 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.

(c) Revenue Recognition:

The Entity has applied AASB 15: Revenue from Contracts with Customers (AASB15) and (AASB 1058): *Income of Not-For-Profit Entities* (AASB 1058) using the cumulative effective method.

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Donations:

Donations and bequests are recognised as revenue when received.

Revenue from contracts with customers:

For current year:

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 Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred.

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 Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) **Revenue Recognition:** *(continued)*

Revenue and other income:

Specific revenue streams:

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

Sales Revenue:

Sale revenue includes bar sales, poker machine income, catering income, Keno and TAB income. All of the services and goods for these revenue items are provided to customers at the time of the sale and income is accounted for at that time. If deposits are held for any of these revenue items a liability is booked until the service or goods have been provided to the customer and then for as income.

Membership Income:

Membership income is received in advance for the period of membership paid for. A liability is booked for membership income if received in advance with the income spread over the membership period paid for.

Other Income:

Other income is recognised on an accruals basis when the Company is entitled to it.

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(1c) Revenue from continuing operations:

2020 \$	Revenue from contracts with customers (AASB 15)	2021 \$
4,022,818	Poker Machine Takings	5,373,802
2,729,415	Catering	3,067,392
1,724,029	Bar and Bottleshop	2,035,844
36,095	Members' Subscriptions	30,702
96,713	Keno	99,178
630	Vending Commission	800
51,565	Other Income	68,837
34,664	TAB Commission	41,866
8,695,929	Total Operating Revenue	10,718,421
	Revenue recognised on receipt (not enforceable or no sufficiently specific performance obligations – AASB 1058)	
7,304	Rent Received	7,304
49,860	Sale of Assets	(8,108)
354,960	Insurance from Bush Fires	0
62,866	Cashflow Boost	37,500
646,500	Job Keepers Subsidy	1,270,200
1,121,220	Total Non Operating Revenue	1,306,896
9,817,149	TOTAL REVENUE	12,025,317
	Disaggregation of Revenue from Contracts with Customers:	
	Revenue from contracts with customers has been disaggregated into revenue recognised at a point in time and over time which is only applicable to membership subscriptions, and the following table shows this breakdown:	
	Timing of Revenue Recognition	
8,659,834	– At a point in time	10,687,719
36,095	– Over time – Membership Subscriptions	30,702
8,695,929	Revenue from Contracts with Customers	10,718,421
	Finance Income:	
21,594	Interest received	14,326

(d) Employee Provisions:

Short-term employee provisions:

Provision is made for the company's obligation for short-term employee benefits. Short-term employees benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employee render the related service, including wages, salaries and sick leave. Short-term employees benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Other long-term employee provisions:

Provision is made for employees long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payment to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations.

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(d) **Employee Provisions:** *(continued)*

Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlements for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

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. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(e) **Income Tax:**

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss. Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of offset exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of offsets exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(f) **Cash and Cash Equivalents:**

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

Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(g) **Trade Receivables:**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition. Collectability of trade debtors is reviewed on an on-going basis. Debts which are known to be uncollectable are written off. A provision for doubtful receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive income.

When a trade receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(h) **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. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

(i) **Members' Subscriptions in Advance:**

Subscriptions received in advance for the financial year have been carried forward as a current or non-current liability.

(j) **Comparative Figures:**

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

(k) **Goods and Services Tax (GST):**

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian 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 are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to the taxation authority is included with other receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from or payable to the taxation authority are presented as operating cash flows.

(l) **Financial Instruments:**

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument. 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 Company has only ever held financial assets categorised as at "amortised cost" financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Amortised cost:

Assets measured at amortised cost are financial assets where:

- the business is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal interest on the principal amount outstanding.

The company'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 provisions for impairment.

Interest income, losses and impairment are recognised in profit and 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) for financial assets measured at amortised cost. When determining whether the credit risk for financial assets has increased significant since initial recognition and when estimating ECL, the Company 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 Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

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 Company in full, without recourse to the Company to actions such as realising security (if any is held).

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

Trade receivables:

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default. The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expenses. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

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 Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised costs using the effective rate method. The financial liabilities of the Company comprise trade payables, bank and other loans and finance lease liabilities.

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(m) **Impairment of Assets:**

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and other Comprehensive Income.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(n) **Retirement Benefit Obligations:**

Defined contribution superannuation benefits:

All employees of the company receive defined contribution superannuation entitlements, for which the company pays the fixed superannuation guarantee contribution (currently 10 % of the employees average ordinary salary) to the employees superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable.

The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position.

(o) **New and amended accounting standards:**

The entity has applied AASB 15: Revenue from contracts with customers AASB1058 income from not-for-profit entities using the accumulative effect method.

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

NOTE 2: CLASSIFICATION OF INCOME AND EXPENSES BY FUNCTION

2020 \$	(a) Profit/(Loss) from ordinary activities before Income Tax expense:	2021 \$
1,959,005	Poker Machines	3,229,812
306,974	Bar and Bottle Shop	503,958
(355,884)	Catering and Coffee Shop	(213,746)
1,362,751	Other Income	1,562,605
3,272,846		5,082,629
	(b) Operating Profit has been determined after charging as expenses:	
1,685,483	Indirect Labour and Overheads	1,722,983
26,112	Financial Expenses	34,898
12,865	Members' Amenities	7,102
186,934	Property Expenses	208,423
411,545	Depreciation	386,052
842,416	Administration Expenses	946,006
3,165,355		3,305,464
107,491	Profit from ordinary activities before Income Tax Expense	1,777,165
	(c) Trading Profit from Poker Machines has been determined after:	
4,022,818	Crediting as Income	5,373,802
	Charging as Expenses:	
55,668	CMS Costs	68,150
714,084	Poker Machine Tax	1,000,678
407,743	Direct Labour	396,722
10,057	Payroll Tax	13,902
6,653	Workers' Compensation	8,059
31,088	Superannuation	32,058
55,100	Electricity	57,000
60,923	Repairs and Maintenance	80,597
360,889	Promotions	175,390
361,608	Depreciation	311,434
2,063,813		2,143,990
1,959,005		3,229,812
	Trading Profit from Bar and Bottle Shop has been determined after:	
1,724,029	Crediting as Income	2,035,844
	Charging as Expenses:	
720,005	Cost of Goods Sold	827,999
525,127	Direct Labour	525,706
14,824	Payroll Tax	19,662
8,842	Workers' Compensation	10,859
42,184	Superannuation	45,611
48,300	Electricity	47,600
17,361	Discounts and Promotions	17,938
20,703	Bar Requirements	15,477
899	Bar Laundry	1,020
4,208	Freight Inwards	3,102
14,602	Staff Uniforms	16,912
1,417,055		1,531,886
306,974		503,958

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

NOTE 2: CLASSIFICATION OF INCOME AND EXPENSES BY FUNCTION *(continued)*

2020 \$	Trading Profit/(Loss) from Catering and Coffee Shop has been determined after:	2021 \$
2,729,415	Crediting as Income	3,067,392
	Charging as Expenses:	
1,143,697	Cost of Goods Sold	1,254,354
1,536,923	Direct Labour	1,562,848
18,163	Cleaning	18,525
64,124	Electricity and Gas	73,251
3,622	Freight inwards	3,649
2,693	General	3,159
2,910	Laundry	3,835
11,166	Discounts and Promotions	19,797
46,861	Payroll Tax	63,367
0	Printing and Stationary	33
40,776	Replacements	42,306
129,089	Superannuation	147,506
23,087	Workers' Compensation	30,369
1,280	Telephone	1,400
60,908	Depreciation	56,739
3,085,299		3,281,138
(355,884)		(213,746)
	Other Income:	
36,095	Members' Subscriptions	30,702
7,304	Rent Received	7,304
21,594	Interest Received	14,326
96,713	Keno Commission	99,178
34,664	TAB Commission	41,866
52,195	Other Income	69,637
49,860	Profit on Sale of Fixed Asset	(8,108)
354,960	Insurance from Bush Fires	0
62,866	Cashflow Boost	37,500
646,500	Job Keepers Subsidy	1,270,200
1,362,751		1,562,605

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

NOTE 2: CLASSIFICATION OF INCOME AND EXPENSES BY FUNCTION *(continued)*

2020 \$	(d) Indirect Labour and Overheads:	2021 \$
592,450	Administration Wages	620,971
263,409	Door Wages	375,596
65,565	Security Wages	72,364
205,568	Cleaning Wages	272,731
126,446	Childminding Wages	0
57,763	Courtesy Bus Wages	0
51,253	Payroll Tax	55,485
43,580	Workers' Compensation	39,196
80,058	Staff and Directors' Training	68,667
50,814	Staff Meals	59,854
148,577	Superannuation	158,119
1,685,483		1,722,983
	Financial Expenses:	
26,112	Bank Charges	34,898
26,112		34,898
	Members' Amenities:	
0	ANZAC Day Expenses	1,531
1,504	Members' Cards	2,241
1,707	Members' Reports	3,180
9,654	Members' Nights	0
0	Mortality Payment	150
12,865		7,102
	Property Expenses:	
117,379	General Maintenance and Repairs	142,352
69,555	Rates – Bega Valley Shire	208,423
186,934		666,223
	Depreciation:	
282,591	Freehold Buildings and Carpark	282,811
128,954	Plant and Equipment	103,241
411,545		386,052
	Administration Expenses:	
3,095	Accountancy	3,095
50,810	Advertising	63,477
42,525	Audit	42,635
28,381	General Cleaning	26,253
13,993	Consulting	15,516
4,343	Courtesy Bus	4,006
6,529	Directors' Expenses	6,411
45	Discounts and Promotions	66
61,278	Donations	71,023
82,899	Electricity and Gas	86,160
1,198	Float Variances	1,338
2,239	Freight Inwards	1,410
2,250	Fringe Benefits Tax	1,803

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

NOTE 2: CLASSIFICATION OF INCOME AND EXPENSES BY FUNCTION *(continued)*

2020 \$	Administration Expenses (continued):	2021 \$
27,848	General Expenses	34,888
144,401	General Insurance	166,179
3,834	Legal Expenses	3,109
23,977	Licences and Permits	44,016
39,720	Printing, Postage and Stationery	34,783
23,622	President's and Directors' Allowance	23,622
39,846	Security	47,177
45,605	Sky Channel/Foxtel	66,127
151,520	TAB Expenses	159,209
9,311	Telephones	8,295
33,147	Waste Removal	35,408
842,416		946,006

NOTE 3: AUDITOR'S REMUNERATION

Amounts received or due and receivable by the Auditor for:

42,525	Audit	42,635
3,095	Other Services	3,095
45,620		45,730

NOTE 4: INCOME TAX EXPENSE

The components of tax expense comprises:

0	Current Tax	130,677
(840)	Deferred Tax	(10,467)
(840)	120,210	

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows.

Prima facie tax payable on profit from ordinary activities, after adjusting for the non-taxable components attributed to members, before income tax at 27.5% (2020: 27.5%).

107,491	Operating Profit before Tax	1,777,165
(36,095)	Less: Members' Subscriptions	(30,702)
(163,280)	Direct Members' Income	(91,536)
(500,532)	Non Apportionable Items	(219,625)
(592,416)		1,435,302
1,147,196	Add: Non Allowable, Non Apportionable and Part Apportionable Expenses	1,079,774
554,780		2,515,076
275,670	Portion attributable Non Members	1,278,162
165,425	Add: Non Apportionable Items	188,742
441,095		1,466,904
(651,688)	Less: Non Apportionable and Part Apportionable Expense	(688,635)
(65,071)	Tax Loss Prior Years	(275,664)
(275,664)	Tax (Loss)/Profit	502,605

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

NOTE 4A: DEFERRED TAX ASSET

2020 \$ The amount and nature of the deferred tax asset for the financial year ended 30th June, 2021, is: 2021 \$

Deferred tax assets and liabilities for each type of temporary difference

Deferred Tax Assets:

481,062	Provision for Annual Leave and Sick Leave	542,712
397,046	Provision for Long Service Leave	421,903
42,525	Audit Accrual and Wage Accrual	42,525
920,633		1,007,140
(463,170)	Adjustment for Member Component	(495,311)
457,463		511,829

Deferred Tax Liabilities:

818,498	Property, Plant and Equipment	822,300
818,498		822,300
(411,786)	Adjustment for Member Component	(404,407)
406,712		417,893

Deferred tax amounts recognised in income tax expense

Deferred Tax Assets:

132,292	Provision for Annual Leave and Sick Leave	141,105
109,188	Provision for Long Service Leave	109,695
11,694	Audit Accrual and Wage Accrual	11,056
253,174		261,856
(127,372)	Adjustment for Member Component	(128,781)
125,802		133,075

Deferred Tax Liabilities:

225,087	Property, Plant and Equipment	213,798
225,087		213,798
(113,241)	Adjustment for Member Component	(105,146)
111,846		108,652
13,956	Net Deferred Tax Asset	24,423

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

NOTE 5: CASH FLOW INFORMATION

2020 \$		2021 \$
	1. Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax:	
107,491	Profit from Ordinary Activities after Income Tax	1,656,955
	Non-Cash Flows in Operating Profit:	
834,062	Depreciation	754,226
(49,860)	(Profit)/Loss on Sale of Asset	8,108
	Changes in Assets and Liabilities:	
6,229	(Increase)/Decrease in Debtors	1,045
(21,073)	(Increase)/Decrease in Other Assets	(52,641)
(7,519)	(Increase)/Decrease in Inventories	(14,029)
(567,025)	Increase/(Decrease) in Creditors, Accruals and Tax Liabilities	611,157
397,532	Increase/(Decrease) in Provisions	(63,999)
(18,024)	Increase/(Decrease) in Advance Subscriptions	13,977
681,813		2,914,799

At the date of this report all the mortgages have been discharged and the Club is unencumbered.

NOTE 6: CASH

120,000	Cash on Hand	120,000
427,005	Cash at Bank – Current Account	339,610
15,138	– TAB Account	17,753
9,143	– Keno Account	12,853
1,155,853	– 'At Call' Cash Deposit Account	4,004,248
1,020,382	– Term Deposit	1,027,743
2,747,521		5,522,207

Reconciliation of Cash:

Cash at the end of the Financial Year as shown in the Statement of Cash Flows is reconciled to items in the **Statement of Financial Position** as follows:

2,747,521	Cash	5,522,207
2,747,521		5,522,207

NOTE 7: RECEIVABLES

1,871	Trade Debtors	826
303,324	Sundry Debtors	0
305,195		826

NOTE 8: INVENTORIES

83,523	Trading Stock – Bar	91,149
66,136	– Dining Room	71,022
7,590	Staff Uniforms	9,107
157,249		171,278

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

NOTE 9: OTHER

2020 \$		2021 \$
175,650	Prepayments	228,291
175,650		228,291

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

13,922,805	Freehold Land and Improvements at cost 52-54 Main Street, Merimbula	13,934,975
(5,298,786)	Less: Depreciation	(5,564,886)
8,624,019		8,370,089
1,534,849	Freehold Carpark	1,534,849
(122,491)	Less: Depreciation	(138,643)
1,412,358		1,396,206
64,402	Motor Vehicle at cost	64,402
(51,708)	Less: Depreciation	(60,124)
12,694		4,278
7,018,141	Plant and Equipment at cost	7,235,188
(5,483,396)	Less: Depreciation	(5,585,714)
1,534,745		1,649,474
11,583,816		11,420,047

1. Movements in Carrying Amounts:

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

Economic Entity:	Freehold Land and Buildings		Plant and Equipment		Total	
	\$'000		\$'000		\$'000	
	2020	2021	2020	2021	2020	2021
Balance at the beginning of year	10,313	10,036	1,702	1,548	12,015	11,584
Add: Additions	5	12	397	598	402	610
Less: Depreciation	(282)	(282)	(365)	(471)	(647)	(753)
Disposals	0	0	(186)	(21)	(186)	(21)
Carrying amount at the end of year	10,036	9,766	1,548	1,654	11,584	11,420

An independent revaluation of land and buildings was undertaken on 30th June, 2021, by Mr M.E. Rix A.PI. Registered Valuer No. 67215. The revaluation was undertaken as part of a policy to value land and buildings every three years and was based on fair value as part of a going concern basis. The valuation revealed a fair value as a going concern of \$10,800,000.

NOTE 11: PAYABLES

Unsecured Liabilities

382,817	Creditors – Trade	987,857
38,971	Bonus Points Unredeemed	1,786
421,788		989,643

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

NOTE 12: EMPLOYEE PROVISIONS

2020 \$		2021 \$
777,589	Opening Balance at the beginning of the Financial Year	878,107
403,839	Additional provisions raised during year	413,788
(303,321)	Amount used	(327,281)
878,107	Balance at the finish of the Financial Year	964,614
Analysis of Total Provisions:		
(a) Current		
457,838	Annual Leave and Sick Leave Entitlements	542,712
350,635	Long Service Leave Entitlements	345,407
808,473		888,119
(b) Non-Current		
69,634	Long Service Leave Entitlements	76,495
69,634		76,495

Employee Provision:

Employee Provisions represent amounts accrued for annual leave, sick leave and long service leave. The current portion for this provision includes the total amount accrued for annual leave entitlements, sick leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service.

Based on past experiences, the company does not expect the full amount of annual leave, sick leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

NOTE 12a: LINK PROVISION

7,447	Link Provision	10,468
7,447		10,468

NOTE 13: INCOME IN ADVANCE

(a) Current		
23,464	Members' Fees	28,197
23,464		28,197
(b) Non Current		
35,756	Members' Fees for future years after 2020/21	45,000
35,756		45,000

NOTE 14: CURRENT TAX LIABILITIES

96,157	Goods and Services Tax and Withholding Tax	257,404
338,475	Poker Machine Tax	101,921
0	Income Tax	130,677
434,632		490,002

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

NOTE 15: FINANCIAL RISK MANAGEMENT

2020 \$

2021 \$

(a) Financial Risk Management:

The entity's financial instruments consist mainly of deposits with the banks, accounts receivable and payables. The entity relies on this working capital as its source of funds. The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial reports, are as follows:

	Financial Assets	Note	
451,286	Cash at Bank	6	370,216
2,176,235	Short Term Deposit	6	5,031,991
120,000	Cash on Hand	6	120,000
305,195	Trade Debtors	7	826
3,052,716	Total Financial Assets		5,523,033
	Financial Liabilities:		
421,788	Trade Creditors	11	989,643
434,632	Current Tax Liabilities	14	490,002
856,420	Total Financial Liabilities		1,479,645

NOTE 16: FAIR VALUE MEASUREMENTS

The company has the following assets, as set out in the table below, that are measured at fair value on a recurring basis after their initial recognition. The company does not subsequently measure any liabilities at fair value on a recurring basis and has no assets or liabilities that are measured at fair value on a non-recurring basis.

Recurring fair value measurements:			
Property, Plant and Equipment			
10,036,377	Freehold Land and Improvements		9,766,295
1,547,439	Plant and Equipment		1,653,752
11,583,816			11,420,047

For freehold land and buildings, the fair values are based on a directors' valuation taking into account an external independent valuation performed in previous years, which used comparable market data for similar properties.

NOTE 17: RESERVES

43,413	Revaluation Reserve	43,413
292,829	Capital Profit Reserve	292,829
336,242		336,242

NOTE 18: MEMBERS' LIABILITY

The number of registered members of the Club as at the 30th June, 2021 is 8,370 (last year 7,514) consisting of 119 Service Members, 8250 Club Members and 1 Honorary Life Member.

As a Company Limited by Guarantee, every member of the Company has undertaken to contribute an amount not exceeding \$2.00 on the event of the Company being wound up. Such contribution will only be required in the event that assets of the Company are insufficient to meet the payments of the debt and liabilities of the Company at the time of winding up, including the costs, charges and expenses of the winding up. The amount will be payable by all existing members at the time of winding up and those members ceasing membership one year prior to that date.

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

NOTE 19: RELATED PARTY TRANSACTIONS

(a) **Directors:**

The names of persons who were directors of the company at any time during the year are: Mr Allan F. Browning, Mr Philip J. Cheek, Mr John F. Finn, Mr Ian J. Powell, Mr David J. Rankin, Ms Hannah L. Rossi and Mr Graeme N. Williams.

(b) **Director Remuneration:**

The directors did not receive any remuneration from the company during the year other than any approved honorarium and reimbursement of out of pocket expenses that have been fully substantiated except for Mr David Rankin who received benefits for the provision of Accounting Services.

(c) **Transactions with directors and director related entities:**

There were no transactions with directors, other than those at normal commercial terms and conditions, and other benefits approved by the members at the annual general meeting.

(d) **Other transactions with related parties:**

There were no other transactions with related parties.

NOTE 20: BANK GUARANTEE

At the request of the company, the Merimbula RSL Club Ltd bank is holding a bank guarantee in favour of the Totalisator Agency Board of NSW to the value of \$5,000.

NOTE 21: KEY MANAGEMENT PERSONNEL

The Company is run by the Board of Directors. All major business decisions are made by the Board. The day to day business of the Company is run by the employees of the Company. As all major business decisions are made by the Board, no key management personnel disclosure are deemed appropriate.

NOTE 22: CAPITAL MANAGEMENT

Management controls the capital of the entity to ensure that adequate cash flows are generated to fund its mentoring programs and that returns from investments are maximised within tolerable risk parameters. The finance committee ensures that the overall risk management strategy is in line with this objective.

The finance committee operates under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

The entity's capital consists of financial liabilities, supported by financial assets.

Management effectively manages the entity's capital by assessing the entity's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

There have been no changes to the strategy adopted by management to control the capital of the entity since the previous year. The strategy of the entity is to maintain a gearing ratio below 10%.

At the years ending 30th June, 2020 and 30th June, 2021 there was no net debt.

NOTE 23: STATEMENT OF OPERATIONS BY SEGMENTS

The company operates in the Licensed Registered Clubs' sector within New South Wales.

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

NOTE 24: COMPANY DETAILS

The registered office of the company is:

Merimbula RSL Club Limited,
52-54 Main Street,
MERIMBULA NSW 2548
Unlisted Company Limited by Guarantee.

NOTE 25: DISPOSAL OF CLUB PROPERTY – CORE OR NON CORE

That pursuant to Section 41J(2) of the Registered Clubs Act for the financial year ended 30th June, 2021:

- (a) The following properties are core property of the Club:
- (i) 52-54 Main Street
 - (ii) Carpark corner Alice and Main Street
- (b) The following properties are non-core property of the Club:
- Nil
- (i) Section 41J(2) of the Registered Clubs Act requires the Financial Report to specify the core property and non core property of the Club as at the end of the financial year to which the report relates.
 - (ii) Core property is any real property owned or occupied by the Club that comprises
 - (a) the defined premises of the Club; or
 - (b) any facility provided by the Club for use of its members and their guests; or
 - (c) any other property declared by a resolution passed by a majority of the members present at a general meeting of Ordinary members of the Club to be core property of the Club.
 - (iii) Non-core property is any other property other than that referred to above as core property and any property which is declared by the members at a general meeting of ordinary members of the Club not to be core property.
 - (iv) The significance of the distinction between core property and non-core property is that the Club cannot dispose of any core property unless:
 - (a) the property has been valued by a registered valuer within the meaning of the Valuers Act 2003; and
 - (b) the disposal has been approved at a general meeting of the ordinary members of the Club at which the majority of the votes cast support the approval;
 - (c) any sale is by way of public auction or open tender conducted by any independent real estate agent or auctioneer.
 - (v) These disposal provisions and what constitutes a disposal for the purpose of section 41J are to some extent modified by regulation made under the Registered Clubs Act and by section 41J itself. For example, the requirements in paragraph 4 above do not apply to:
Core property that is being leased or licensed for a period not exceeding 10 years on terms that have been the subject of a valuation by a registered valuer; Core property that is leased or licensed to a telecommunications provider for the purpose of a telecommunication tower.

NOTE 26: EVENTS AFTER THE REPORTING PERIOD

The financial report was authorised for issue on the 25th October 2021 by the Board of Directors. The ongoing disruptions caused by the Covid-19 virus will continue to have an effect on the operations of the company and future financial results. The ongoing effects are unknown as at the date of this financial report.

Except for the above no other matter or circumstances have arisen since the end of the financial year which significantly effected or could significantly effect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MERIMBULA RSL CLUB LIMITED

Report on the Audit of the Financial Report

Opinion:

We have audited the financial report of the Merimbula RSL Club Limited (the company), which comprises the statement of financial position as at 30th June, 2021, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and 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 the Merimbula RSL Club Limited is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the company's financial position as at the 30th June, 2021, and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards – Reduced Disclosure Requirements 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, which has been given to the directors of the Merimbula RSL Club Limited, 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 Audit opinion. However, our statutory audit does not cover all details of dissection of financial data.

Emphasis of Matter:

The restrictions relating to the COVID-19 virus since 23 March 2020 have had a significant effect on the Company's operations. The financial results for the year ended 30 June 2021 have been significantly affected by one off items including JobKeeper subsidy and ATO Cash Flow Boost. The ongoing financial effect of the COVID-19 virus is unknown and there is no guarantee of government assistance in the future. The financial report has been prepared on the basis that the Company is a going concern however due to the uncertainty of the effects of the COVID-19 virus, disruptions to the future financial viability of the Company may be adversely affected.

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 financial report for the year ended 30th June 2021, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

INDEPENDENT AUDITOR'S REPORT *(continued)*

To the Members of the Merimbula RSL Club Ltd.

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 have no realistic alternative but to do so.

Auditor's Responsibility 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 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, misrepresentation, 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 transaction 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.

Richard C.Parbery FCPA
Registered Company Auditor (1864)

101 Main Street
Merimbula, NSW 2548
25th October, 2021

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

DONATIONS

For the year ended 30th June, 2021

Bega Valley Shire Council	Pambula Mens Shed
Bermagui Cooperative Society	Pambula Fishing Club
Bermagui Mens Shed	Pearls Place
Bermagui Marine Rescue	Playability
Boydton Shipyard	AFL Sapphire Coast
Eden Tourism	Sapphire Coast Turf Club
Eden Community Radio	Sapphire Coast Board riders
Eden Whale Festival	Sapphire Coast Horse Trail Riders Club
Eden Community Access Centre	Sapphire Coast Historic Vehicle Club
Lions Club of Pambula Merimbula	St Vincent De Paul Society
Merimbula Mens Shed	St Vincent De Paul Society Merimbula
Merimbula Diggers Football Club	The Disability Trust
Merimbula BG & LA Club	Towamba Rural Fire Brigade
Merimbula Tourism	Wintersun Festival
Merimbula Pambula Minor Rugby League	Rotary Club of Pambula
Merimbula Pambula Rugby League Inc	Tulgeen Disability
Merimbula Public School	Jasper Lassen
Merimbula Sub Branch	
Merimbula Tennis Club	
U3A Sapphire Coast	
	Total: \$71,023.00



MERIMBULA 
RSL CLUB

52-54 MAIN ST, MERIMBULA, NSW, 2548
02 6495 1502
www.merimbularsl.com.au