

MERIMBULA

RSL CLUB



20212022

FINANCIAL REPORT



MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

ANNUAL GENERAL MEETING

To be held in the Merimbula RSL Club on Wednesday, 9th November, 2022, at 7.15pm.

MEETING AGENDA:

1. Apologies.
2. Confirmation of Minutes for Annual General Meeting held on 8th December, 2021.
3. To receive and consider the Financial Statement of the Company for the year ended 30th June, 2022, 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.

By order of the Board,

M. MUTSCH
Secretary Manager

26th September, 2022

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, 9th November, 2022, 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 \$9,000 be paid to the President as an Honorarium for the 2022/23 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 \$6,000 to each of the two (2) Vice-Presidents and \$3,000 to each of the four (4) other Directors as a Directors' Honorarium for the 2022/23 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 \$9,000 for the 2022/23 Financial 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 \$6,000 for the two (2) Vice Presidents and \$3,000 for the four (4) Directors pursuant to point (8.6) of the Club's Constitution and 10 (6) (b) of the Registered Clubs Act.

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

26th September, 2022

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 2021/2022.

The operating Surplus of \$1,410,644.00 before income tax reflects a year in which Government assistance for COVID-19 was available early in the year followed by a period of strong trading at very satisfactory levels to year end.

As a result, the Club ended the year with a very strong Balance Sheet and this will enable the Club to fund future capital improvements including changes to the TAB area, and the installation of a fire protection sprinkler system to access ongoing insurance cover for the assets of the Club.

It is pleasing to once again, thank Management and Staff for their continued support and diligence in providing services and hospitality to members and visitors for which our Club has long been recognised.

To my fellow Directors, I again thank you personally for your support and commitment during the year. As I have mentioned in past reports, the Board continues to work effectively as a team and this is crucial for the success of the Club.

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.

GRAEME WILLIAMS
President

MERIMBULA RSL CLUB LIMITED

ABN 66 000 965 560

SECRETARY MANAGER'S REPORT

Amid the challenges of our last financial year for the entire club industry, the Merimbula RSL Club has remained committed to trading safely and sustaining operational efficiencies and fiscal discipline across all areas.

The financial year started with a 31-day shutdown as the COVID-19 health crisis continued. Following a quiet July and part of August 2021, we again went into lockdown from the 14th August through to the 15th September 2021. After no trade during this period, we reopened and thankfully experienced a revenue growth which was welcomed and enabled us to again recover, which reflected in our operational and financial performance for the year.

Our ability to trade well after this second lockdown and achieving a profit aided by a \$409,030 Government Job Saver payment assisted the Club in recording a profit of \$1,410,644 (before the income tax expense). This was 20.63% below the previous year's \$1,777,165 record profit.

It is important we continually upgrade our wonderful Club and during the financial year the Board approved plans for an upgrade of the TAB/Sports Bar. Also, due to increases in insurances and under the advice of our insurance broker, the Club is installing a fire sprinkler system throughout. This should open up the insurance market and we are expecting a reduction in premiums in future years.

The credit for our ability to provide all our many offerings and facilities during a difficult year rest very much with our fantastic staff. Through periods of staff shortages so many people took on new roles and responsibilities, working extra days and hours, often at short notice. Through all the challenges they have faced, the 'Merimbula RSL Club Team' has continued to provide a friendly and inviting club. This is why we continue to be successful, and I would like to sincerely thank every single staff member.

The commitment and effort of the management, supervisors and senior staff have also been extraordinary as they battled to keep up with the many changing NSW Government COVID rules. Everyone stepped up when required to assist, ensured the club was open for business (sometimes short-staffed) and led the front of house team to provide great customer service and a continued high standard.

I would like to again thank President Graeme Williams and the current board of the Club. You have remained steadfast during an extraordinarily difficult period, and this has been appreciated by us all.

Finally, to our Members, we all thank you for your support over the last 12 months. With so many rule changes it has been a challenge every day, and it has meant a lot to us to see your friendly faces back in the Club as we adjust to this new normal.

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, 2022.

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. Mr Mutsch has worked for the Merimbula R.S.L Club for the past (26) twenty six 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	\$1,410,644
Minus: Income Tax Expense	<u>(\$171,449)</u>
Net Operating Profit	<u>\$1,239,195</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 \$1,410,644 which decreased by \$366,521 on the 20/21 financial year. The Clubs main sources of revenue came from food, beverage and gambling operations which serviced the social requirements of the members and visitors. In the 2021/22 financial year the operating profit was assisted by the Government's Job Saver payment 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.

The Club was required to cease trade on the 14th August 2021 after an NSW Government mandated shutdown. The Club remained closed until the 15th September 2021.

After Balance Date Event:

The ongoing disruptions caused by the COVID 19 virus will continue to have an effect on the operations of the Club and future financial results. The ongoing effects are unknown as at the date of this financial report.

Members' Details and Guarantee:

The number of registered members of the Club as at the 30th June, 2022 is 7,827 (last year 8,370) consisting of 115 Service Members, 7,711 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

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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	13	2	2
Philip J. Cheek	13	13	14	14
John F. Finn	13	13	12	12
Ian J. Powell	13	13	13	13
David J. Rankin.	13	13	2	0
Hannah L. Rossi	13	7	1	1
Graeme N. Williams	13	12	12	11

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 26th September, 2022.

G.N. WILLIAMS, Director

A.F. BROWNING, Director

MERIMBULA RSL CLUB LIMITED

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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, 2022, 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)

26th September, 2022

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, 2022 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, 2022 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
A.F. BROWNING, Director

*Dated at Merimbula,
26th September, 2022*

BOARD OF DIRECTORS 2021/22



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, 2022*

2021 \$		Note	2022 \$
12,025,317	Revenue	1(c)	11,498,951
14,326	Finance Income		13,541
(2,082,353)	Cost of Sales		(2,113,404)
(4,451,130)	Employees Expenses		(4,084,608)
(34,898)	Financial Expenses		(38,113)
(7,102)	Members' Amenities		(3,736)
(66,071)	Property Expenses		(73,306)
(754,226)	Depreciation		(730,438)
(1,000,678)	Poker Machine Tax		(1,037,586)
(175,390)	Promotions		(282,995)
(264,011)	Electricity and Gas		(269,124)
(166,178)	General Insurance		(221,359)
(34,783)	Printing, Postage and Stationery		(34,050)
(226,108)	Repairs and Maintenance		(234,736)
(159,208)	TAB Expense		(144,190)
(840,342)	Other Expenses		(834,203)
1,777,165	Operating Profit before Income Tax	2	1,410,644
0	Other Comprehensive Income		0
1,777,165	Profit for the Year		1,410,644
(120,210)	Income Tax Attributable to Profit	4	(171,449)
1,656,955	Profit Attributable to Members of the Company		1,239,195

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, 2022*

2021 \$		Note	2022 \$
	Current Assets:		
5,522,207	Cash	6	6,241,466
826	Receivables	7	959
24,423	Deferred Tax	4A	(147,026)
171,278	Inventories	8	166,335
228,291	Other	9	252,125
5,947,025	Total Current Assets		6,513,859
	Non Current Assets:		
11,420,047	Property, Plant and Equipment	10	11,509,332
11,420,047	Total Non Current Assets		11,509,332
17,367,072	Total Assets		18,023,191
	Current Liabilities:		
989,643	Payables	11	577,575
898,587	Provisions	12 & 12a	891,340
28,197	Income in Advance	13	28,912
490,002	Current Tax Liabilities	14	316,838
2,406,429	Total Current Liabilities		1,814,665
	Non Current Liabilities:		
76,495	Provisions	12	75,720
45,000	Income in Advance	13	54,463
121,495	Total Non Current Liabilities		130,183
2,527,924	Total Liabilities		1,944,848
14,839,148	Net Assets		16,078,343
	Members' Funds:		
336,242	Reserves	17	336,242
14,502,906	Retained Profits		15,742,101
14,839,148	Total Members' Funds		16,078,343

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, 2022

2021 \$		2022 \$
13,182,193	Total Equity at the beginning of the Financial Year	14,839,148
1,656,955	Operating surplus attributable to the members of the Company	1,239,195
14,839,148	Total Equity at the end of the Financial Year	16,078,343

STATEMENT OF CASH FLOWS

For the year ended 30th June, 2022

2021 \$		Note	2022 \$
	Cash Flow from Operating Activities:		
11,927,740	Receipts from Customers		11,333,747
(9,070,539)	Payments to Suppliers and Employees		(9,489,215)
44,678	Members' Subscriptions		48,728
12,920	Interest Received		16,700
2,914,799	Net Cash provided by Operating Activities	5	1,909,960
	Cash Flow from Investing Activities:		
(127,943)	Payment for Property, Plant and Equipment		(1,080,727)
(12,170)	Payment for Property Club Renovations		(109,974)
(140,113)	Net Cash used in Investing Activities		(1,190,701)
	Cash Flow from Financing Activities:		
0	Repayments of Borrowings		0
0	Net Cash used in Financing Activities		0
2,774,686	Net (Decrease)/Increase in Cash held		719,259
2,747,521	Cash at Beginning of Financial Year		5,522,207
5,522,207	Cash at End of Financial Year	6	6,241,466

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, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation:

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 26th September, 2022 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

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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:

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

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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

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

(1c) Revenue from continuing operations:

2021 \$	Revenue from contracts with customers (AASB 15)	2022 \$
5,373,802	Poker Machine Takings	5,447,063
3,067,392	Catering	3,173,396
2,035,844	Bar and Bottleshop	2,116,467
30,702	Members' Subscriptions	38,551
99,178	Keno	123,112
800	Vending Commission	77
68,837	Other Income	67,602
41,866	TAB Commission	35,007
10,718,421	Total Operating Revenue	11,001,275
	Revenue recognised on receipt (not enforceable or no sufficiently specific performance obligations – AASB 1058)	
7,304	Rent Received	6,086
(8,108)	Sale of Assets	82,560
37,500	Cashflow Boost	0
1,270,200	Job Keepers Subsidy	0
0	Job Saver Payment	409,030
1,306,896	Total Non Operating Revenue	497,676
12,025,317	TOTAL REVENUE	11,498,951

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

10,687,719	– At a point in time	10,962,724
30,702	– Over time – Membership Subscriptions	38,551
10,718,421	Revenue from Contracts with Customers	11,001,275

Finance Income:

14,326	Interest received	13,541
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(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

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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

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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

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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

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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 10.5% 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.

MERIMBULA RSL CLUB LIMITED

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NOTE 2: CLASSIFICATION OF INCOME AND EXPENSES BY FUNCTION

2021 \$	(a) Profit/(Loss) from ordinary activities before Income Tax expense:	2022 \$
3,229,812	Poker Machines	3,229,604
503,958	Bar and Bottle Shop	608,672
(213,746)	Catering and Coffee Shop	43,767
1,562,605	Other Income	775,566
5,082,629		4,657,609
	(b) Operating Profit has been determined after charging as expenses:	
1,722,983	Indirect Labour and Overheads	1,605,320
34,898	Financial Expenses	38,113
7,102	Members' Amenities	3,736
208,423	Property Expenses	220,173
386,052	Depreciation	389,563
946,006	Administration Expenses	990,060
3,305,464		3,246,965
1,777,165	Profit from ordinary activities before Income Tax Expense	1,410,644
	(c) Trading Profit from Poker Machines has been determined after:	
5,373,802	Crediting as Income	5,447,063
	Charging as Expenses:	
68,150	CMS Costs	59,900
1,000,678	Poker Machine Tax	1,037,586
396,722	Direct Labour	373,871
13,902	Payroll Tax	6,334
8,059	Workers' Compensation	7,190
32,058	Superannuation	31,581
57,000	Electricity	50,700
80,597	Repairs and Maintenance	79,458
175,390	Promotions	282,995
311,434	Depreciation	287,844
2,143,990		2,217,459
3,229,812		3,229,604
	Trading Profit from Bar and Bottle Shop has been determined after:	
2,035,844	Crediting as Income	2,116,467
	Charging as Expenses:	
827,999	Cost of Goods Sold	837,853
525,706	Direct Labour	506,015
19,662	Payroll Tax	10,366
10,859	Workers' Compensation	9,617
45,611	Superannuation	46,816
47,600	Electricity	46,900
17,938	Discounts and Promotions	20,313
15,477	Bar Requirements	18,320
1,020	Bar Laundry	1,400
3,102	Freight Inwards	2,175
16,912	Staff Uniforms	8,020
1,531,886		1,507,795
503,958		608,672

MERIMBULA RSL CLUB LIMITED

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

2021 \$	Trading Profit/(Loss) from Catering and Coffee Shop has been determined after:	2022 \$
3,067,392	Crediting as Income	3,173,396
	Charging as Expenses:	
1,254,354	Cost of Goods Sold	1,295,550
1,562,848	Direct Labour	1,412,599
18,525	Cleaning	16,282
73,251	Electricity and Gas	72,784
3,649	Freight Inwards	4,775
3,159	General	8,411
3,835	Laundry	2,576
19,797	Discounts and Promotions	21,758
63,367	Payroll Tax	28,936
33	Printing and Stationary	30
42,306	Replacements	46,815
147,506	Superannuation	138,226
30,369	Workers' Compensation	26,416
1,400	Telephone	1,440
56,739	Depreciation	53,031
3,281,138		3,129,629
(213,746)		43,767
	Other Income:	
30,702	Members' Subscriptions	38,551
7,304	Rent Received	6,086
14,326	Interest Received	13,541
99,178	Keno Commission	123,112
41,866	TAB Commission	35,007
69,637	Other Income	67,680
(8,108)	Profit on Sale of Fixed Asset	82,559
0	Job Saver Payment	409,030
37,500	Cashflow Boost	0
1,270,200	Job Keepers Subsidy	0
1,562,605		775,566

MERIMBULA RSL CLUB LIMITED

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

2021 \$	(d) Indirect Labour and Overheads:	2022 \$
620,971	Administration Wages	586,166
375,596	Door Wages	345,196
72,364	Security Wages	65,677
272,731	Cleaning Wages	209,219
0	Courtesy Bus Wages	41,113
55,485	Payroll Tax	24,638
39,196	Workers' Compensation	45,178
68,667	Staff and Directors' Training	62,277
59,854	Staff Meals	56,402
158,119	Superannuation	169,454
1,722,983		1,605,320
	Financial Expenses:	
34,898	Bank Charges	38,113
34,898		38,113
	Members' Amenities:	
1,531	ANZAC Day Expenses	1,657
2,241	Members' Cards	0
3,180	Members' Reports	2,079
150	Mortality Payment	0
7,102		3,736
	Property Expenses:	
142,352	General Maintenance and Repairs	146,867
66,071	Rates – Bega Valley Shire	73,306
208,423		220,173
	Depreciation:	
282,811	Freehold Buildings and Carpark	282,252
103,241	Plant and Equipment	107,311
386,052		389,563
	Administration Expenses:	
3,095	Accountancy	3,095
63,477	Advertising	65,632
42,635	Audit	42,635
26,253	General Cleaning	27,364
15,516	Consulting	0
4,006	Courtesy Bus	6,297
6,411	Directors' Expenses	7,963
66	Discounts and Promotions	104
71,023	Donations	77,303
86,160	Electricity and Gas	98,740
1,338	Float Variances	223
1,410	Freight Inwards	1,137
1,803	Fringe Benefits Tax	3,140

MERIMBULA RSL CLUB LIMITED

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

2021 \$	Adminstration Expenses (continued):	2022 \$
34,888	General Expenses	35,123
166,179	General Insurance	221,359
3,109	Legal Expenses	650
44,016	Licences and Permits	51,917
34,783	Printing, Postage and Stationery	34,050
23,622	President's and Directors' Allowance	24,520
47,177	Security	44,469
66,127	Sky Channel/Foxtel	52,328
159,209	TAB Expenses	144,190
8,295	Telephones	8,014
35,408	Waste Removal	39,807
946,006		990,060

NOTE 3: AUDITOR'S REMUNERATION

Amounts received or due and receivable by the Auditor for:

42,635	Audit	42,635
3,095	Tax Preparation	3,095
155	Other Services	155
45,885		45,885

NOTE 4: INCOME TAX EXPENSE

The components of tax expense comprises:

130,677	Current Tax	0
(10,467)	Deferred Tax	171,449
120,210		171,449

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 25% (2021: 26%).

1,777,165	Operating Profit before Tax	1,410,644
(30,702)	Less: Members' Subscriptions	(38,551)
(91,536)	Direct Members' Income	(126,162)
(219,625)	Non Apportionable Items	(292,978)
1,435,302		952,953
1,079,774	Add: Non Allowable, Non Apportionable and Part Apportionable Expenses	(388,497)
2,515,076		564,456
1,278,162	Portion attributable Non Members	245,877
188,742	Add: Non Apportionable Items	199,692
1,466,904		445,569
(688,635)	Less: Non Apportionable and Part Apportionable Expense	(692,337)
(275,664)	Tax Loss Prior Years	0
502,605	Tax (Loss)/Profit	(246,768)

MERIMBULA RSL CLUB LIMITED

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NOTE 4A: DEFERRED TAX ASSET

2021 \$ The amount and nature of the deferred tax asset for the financial year ended 30th June, 2022, is: 2022 \$

Deferred tax assets and liabilities for each type of temporary difference

Deferred Tax Assets:

542,712	Provision for Annual Leave and Sick Leave	547,438
421,903	Provision for Long Service Leave	417,654
42,525	Audit Accrual and Wage Accrual	42,525
1,007,140		1,007,617
(495,311)	Adjustment for Member Component	(568,699)
511,829		438,918

Deferred Tax Liabilities:

822,300	Property, Plant and Equipment	2,357,717
822,300		2,357,717
(404,407)	Adjustment for Member Component	(1,330,695)
417,893		1,027,022

Deferred tax amounts recognised in income tax expense

Deferred Tax Assets:

141,105	Provision for Annual Leave and Sick Leave	136,859
109,695	Provision for Long Service Leave	104,414
11,056	Audit Accrual and Wage Accrual	10,631
261,856		251,904
(128,781)	Adjustment for Member Component	(142,174)
133,075		109,730

Deferred Tax Liabilities:

213,798	Property, Plant and Equipment	589,429
213,798		589,429
(105,146)	Adjustment for Member Component	(332,673)
108,652		256,756
24,423	Net Deferred Tax Asset/(Liability)	(147,026)

MERIMBULA RSL CLUB LIMITED

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NOTE 5: CASH FLOW INFORMATION

20201 \$		2022 \$
	1. Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax:	
1,656,955	Profit from Ordinary Activities after Income Tax	1,239,195
	Non-Cash Flows in Operating Profit:	
754,226	Depreciation	730,438
8,108	(Profit)/Loss on Sale of Asset	(82,560)
	Changes in Assets and Liabilities:	
1,045	(Increase)/Decrease in Debtors	(134)
(52,641)	(Increase)/Decrease in Other Assets	(60,477)
(14,029)	(Increase)/Decrease in Inventories	4,944
611,157	Increase/(Decrease) in Creditors and Accruals	77,751
(63,999)	Increase/(Decrease) in Provisions	(9,376)
13,977	Increase/(Decrease) in Advance Subscriptions	10,179
2,914,799		1,909,960

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	130,000
339,610	Cash at Bank – Current Account	371,306
17,753	– TAB Account	30,610
12,853	– Keno Account	17,938
4,004,248	– 'At Call' Cash Deposit Account	2,662,104
1,027,743	– Term Deposit	3,029,508
5,522,207		6,241,466

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:

5,522,207	Cash	6,241,466
5,522,207		6,241,466

NOTE 7: RECEIVABLES

826	Trade Debtors	959
826		959

NOTE 8: INVENTORIES

91,149	Trading Stock – Bar	87,210
71,022	– Dining Room	69,756
9,107	Staff Uniforms	9,369
171,278		166,335

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NOTE 9: OTHER

2021 \$		2022 \$
228,291	Prepayments	252,125
228,291		252,125

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

13,934,975	Freehold Land and Improvements at cost 52-54 Main Street, Merimbula	14,044,948
(5,564,886)	Less: Depreciation	(5,808,810)
8,370,089		8,236,138
1,534,849	Freehold Carpark	1,534,849
(138,643)	Less: Depreciation	(154,796)
1,396,206		1,380,053
64,402	Motor Vehicle at cost	64,402
(60,124)	Less: Depreciation	(64,402)
4,278		0
7,235,188	Plant and Equipment at cost	7,770,546
(5,585,714)	Less: Depreciation	(5,877,405)
1,649,474		1,893,141
11,420,047		11,509,332

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 \$'000		Plant and Equipment \$'000		Total \$'000	
	2021	2022	2021	2022	2021	2022
Balance at the beginning of year	10,036	9,766	1,548	1,654	11,584	11,420
Add: Additions	12	110	598	792	610	902
Less: Depreciation	(282)	(260)	(471)	(470)	(753)	(730)
Disposals	0	0	(21)	(83)	(21)	(83)
Carrying amount at the end of year	9,766	9,616	1,654	1,893	11,420	11,509

An independent revaluation of land and buildings was undertaken on 30th June, 2021, by Mr M.E. Rix A.P.I. 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

987,857	Creditors – Trade	576,243
1,786	Bonus Points Unredeemed	1,332
989,643		577,575

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NOTE 12: EMPLOYEE PROVISIONS

2021 \$		2022 \$
878,107	Opening Balance at the beginning of the Financial Year	964,614
413,788	Additional provisions raised during year	401,701
(327,281)	Amount used	(401,224)
964,614	Balance at the finish of the Financial Year	965,091
Analysis of Total Provisions:		
(a) Current		
542,712	Annual Leave and Sick Leave Entitlements	547,438
345,407	Long Service Leave Entitlements	341,933
888,119		889,371
(b) Non-Current		
76,495	Long Service Leave Entitlements	75,720
76,495		75,720

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

10,468	Link Provision	1,969
10,468		1,969

NOTE 13: INCOME IN ADVANCE

(a) Current		
28,197	Members' Fees	28,912
28,197		28,912
(b) Non Current		
45,000	Members' Fees for future years after 2021/22	54,463
45,000		54,463

NOTE 14: CURRENT TAX LIABILITIES

257,404	Goods and Services Tax and Withholding Tax	293,230
101,921	Poker Machine Tax	101,022
130,677	Income Tax	(77,414)
490,002		316,838

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NOTE 15: FINANCIAL RISK MANAGEMENT

2021 \$

2022 \$

(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	
370,216	Cash at Bank	6	419,854
5,031,991	Short Term Deposit	6	5,691,612
120,000	Cash on Hand	6	130,000
826	Trade Debtors	7	959
5,523,033	Total Financial Assets		6,242,425
	Financial Liabilities:		
989,643	Trade Creditors	11	577,575
490,002	Current Tax Liabilities	14	316,838
1,479,645	Total Financial Liabilities		894,413

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			
9,766,295	Freehold Land and Improvements		9,616,191
1,653,752	Plant and Equipment		1,893,141
11,420,047			11,509,332

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, 2022 is 7,827 (last year 8,370) consisting of 115 Service Members, 7,711 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

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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, 2021 and 30th June, 2022 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

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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, 2022:

- (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 26th September, 2022 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, 2022, 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, 2022, 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 ongoing financial effect of the COVID-19 virus is unknown. 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, 2022, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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
26th September, 2022

MERIMBULA RSL CLUB LIMITED

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DONATIONS

For the year ended 30th June, 2022

Bega Bombers Inc Football Club	Merimbula RSL Sub Branch
Bega Valley Family Day Care	Merimbula Tennis Club
Bega Valley Genealogy Society Inc.	Merimbula Tourism Inc.
Bega Valley Shire Council	Merimbula Tourism Inc. (Fireworks)
Bemboka Garden Club	Pambula Mens Shed Incorporated
Bermagui and District Seniors' Social Club	Pambula Surf Life Saving Club
Bermagui Area Chamber of Commerce & Tourism	Playability
Bermagui Marine Rescue NSW	Probus Club of Bermagui
Bermagui Public School P&C	Rotary Club of Merimbula
Club's helping Clubs	S.C.A.F.L
Cobargo Preschool	Sapphire Coast Netball Association
Eden Tourism Inc	Sapphire Coast Turf Club
Flood Appeal	Sapphire Life Organisation
Girl Guides NSW & ACT	St Vincent de Paul Society, Merimbula
Lifeline South Coast	Towamba Community Progress Association inc
Merimbula & District Garden Club Inc.	U3A Bermagui and District Inc
Merimbula B.G & L.A Club	Wintersun Festival
Merimbula Basketball Association	Wolumla Memorial Hall
Merimbula Diggers Football Club	Women's Domestic Violence Advocacy Service
Merimbula Jazz Festival	
Merimbula Pambula Senior R.L.F.C	
Merimbula Public School	
	Total: \$76,702.00



MERIMBULA 
RSL CLUB

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02 6495 1502
www.merimbularsl.com.au