

Corrimal R S L Memorial Club Ltd

ABN: 83 000 872 033

Financial Statements

For the Year Ended 31 December 2021

Corrimal R S L Memorial Club Ltd

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Financial Statements

For the Year Ended 31 December 2021

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Corrimal R S L Memorial Club Ltd

ABN: 83 000 872 033

Directors' Report

31 December 2021

The Directors present their report on Corrimal R S L Memorial Club Ltd ("the Company") for the financial year ended 31 December 2021.

Information on directors

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

Name	Position	Qualifications	Resigned/Appointed
Neil McLean	President	Former Regimental Police Officer	
Ian Warren	Director	Training Consultant	
Angela Dyer	Director	Superannuation Quality Assurance Officer	
Jaclyn Percy	Director	Australian Defence Force Reservist	Resigned 2/9/2021
Paul Boulton	Director	Community Leader	
Michael Hough	Director	Professorial Fellow, University of Wollongong	
Paul Barrett	Director	Officer of Cadets, Australian Air Force Cadets	
Michael Bainbridge	Director	Solicitor	Appointed 1/11/2021

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

Review of operations

The deficit of the Company after providing for income tax amounted to \$149,493 (2020: surplus \$507,503).

Principal activities

The principal activity of Corrimal R S L Memorial Club Ltd during the financial year was to operate a registered club for its members and their guests including all of the usual facilities of a club.

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

Short term objectives

The Company's short term objective is to provide facilities to members and guests that exceed their expectations.

Corrimal R S L Memorial Club Ltd

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Directors' Report

31 December 2021

Long term objectives

The Company's long term objectives are to:

- ensure the company is a viable club for use by members and guests for many years; and
- repay the Company's loans.

Strategy for achieving the objectives

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

- implement cost cutting measures to areas that are deemed non value added; and
- membership drives to increase the Company's membership base.

Performance measures

The following measures are used within the Company to monitor performance:

- ability to generate positive operating cash flows;
- overall result for the year; and
- quality of the service and facilities provide to members and guests.

Members' guarantee

Corrimal R S L Memorial Club Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$5, subject to the provisions of the Company's constitution.

At 31 December 2021 the collective liability of members was \$ 34,340 (2020: \$ 34,305).

Corrimal R S L Memorial Club Ltd

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Directors' Report

31 December 2021

Meetings of directors

During the financial year, 9 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Neil McLean	9	7
Ian Warren	9	7
Angela Dyer	9	6
Jaclyn Percy	5	4
Paul Boultonwood	9	9
Michael Hough	9	9
Paul Barrett	9	9
Michael Bainbridge	1	-

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 31 December 2021 has been received and can be found on page 4 of the financial report.

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

.....
Neil McLean
Director

Dated: 6 May 2022



Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Corrimal R S L Memorial Club Ltd

I declare that, to the best of my knowledge and belief, during the year ended 31 December 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.

Daley Audit

Stephen Milgate
Partner

Dated: 6 May 2022

Wollongong

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ABN 43 152 844 291

Liability limited by a
Scheme approved under
Professional Standards
Legislation.



Corrimal R S L Memorial Club Ltd

ABN: 83 000 872 033

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2021

	Note	2021 \$	2020 \$
Revenue	4	2,579,538	3,480,855
Other income	4	285,131	538,957
Changes in inventories of finished goods and work in progress		(234,356)	(325,848)
Employee benefits expense		(1,039,956)	(1,184,545)
Club operation expense		(808,095)	(873,616)
Poker machine expense		(325,052)	(460,463)
Depreciation expense	13(a)	(268,246)	(333,009)
Lease expenses	11	(208,877)	(247,082)
Finance expenses		(8,502)	(8,688)
Rental property expenses		(28,866)	(16,326)
Other expenses		(118,719)	(90,563)
Profit before income tax		(176,000)	479,672
Income tax benefit/(expense)	6	26,507	27,831
Profit for the year		(149,493)	507,503
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(149,493)	507,503

The accompanying notes form part of these financial statements.

Corrimal R S L Memorial Club Ltd

ABN: 83 000 872 033

Balance Sheet

As at 31 December 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	764,669	366,698
Trade and other receivables	8	53,276	25,166
Inventories	9	29,633	29,331
Financial assets	10	750	700,750
Prepayments		111,210	101,578
TOTAL CURRENT ASSETS		959,538	1,223,523
NON-CURRENT ASSETS			
Right-of-use assets	11	199,944	667,314
Intangible assets	12	420,000	420,000
Property, plant and equipment	13	4,531,603	4,383,672
TOTAL NON-CURRENT ASSETS		5,151,547	5,470,986
TOTAL ASSETS		6,111,085	6,694,509
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	315,850	265,708
Lease liabilities		139,021	222,353
Borrowings	15	92,740	82,950
Employee benefits	16	167,218	189,892
TOTAL CURRENT LIABILITIES		714,829	760,903
NON-CURRENT LIABILITIES			
Lease liabilities		116,962	487,876
Borrowings	15	1,760	779
Employee benefits	16	21,748	13,165
Deferred tax liabilities	17	356,164	382,671
TOTAL NON-CURRENT LIABILITIES		496,634	884,491
TOTAL LIABILITIES		1,211,463	1,645,394
NET ASSETS		4,899,622	5,049,115

The accompanying notes form part of these financial statements.

Corrimal R S L Memorial Club Ltd

ABN: 83 000 872 033

Balance Sheet

As at 31 December 2021

	Note	2021 \$	2020 \$
EQUITY			
Reserves	21	1,213,957	1,213,957
Retained earnings		3,684,665	3,835,158
TOTAL EQUITY		<u>4,898,622</u>	<u>5,049,115</u>

The accompanying notes form part of these financial statements.

Corrimal R S L Memorial Club Ltd

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Statement of Changes in Equity

For the Year Ended 31 December 2021

	Retained Earnings \$	Asset Revaluation Surplus \$	Total \$
Balance at 1 January 2021	3,835,158	1,213,957	5,049,115
Result for the year	(149,493)	-	(149,493)
Balance at 31 December 2021	3,685,665	1,213,957	4,899,622
Balance at 1 January 2020	3,327,655	1,213,957	4,541,612
Result for the year	507,503	-	507,503
Balance at 31 December 2020	3,835,158	1,213,957	5,049,115

The accompanying notes form part of these financial statements.

Corrimal R S L Memorial Club Ltd

ABN: 83 000 872 033

Statement of Cash Flows

For the Year Ended 31 December 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	3,088,857	4,357,521
Payments to suppliers and employees	(2,714,448)	(3,206,959)
income income	1,423	-
Finance costs	(8,502)	(39,312)
Net cash provided/(used) by operating activities	<u>367,330</u>	<u>1,111,250</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(456,196)	(148,374)
Redemption/(payments) for investments	700,000	(700,000)
Proceeds from sale of plant and equipment	-	2,415
Net cash provided/(used) by investing activities	<u>243,804</u>	<u>(845,959)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from/(repayment of) borrowings	10,771	83,156
Repayment of lease liabilities	(223,934)	(189,923)
Net cash provided/(used) by financing activities	<u>(213,163)</u>	<u>(106,767)</u>
Net movement in cash and cash equivalents held	397,971	158,524
Cash and cash equivalents at beginning of year	<u>366,698</u>	<u>208,174</u>
Cash and cash equivalents at end of financial year	7 <u><u>764,669</u></u>	<u><u>366,698</u></u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2021

The financial report covers Corrimal R S L Memorial Club Ltd as an individual entity. Corrimal R S L Memorial Club Ltd is a not-for profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Corrimal R S L Memorial Club Ltd is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the 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.

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

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.

Specific revenue streams

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

Bar sales and poker machine income

Revenue is recognised at the point the customer purchases the goods and services at the venue. Payment of the transaction price is due immediately at the time of purchase.

Commissions

Commissions income is recognised over the period in which the related services are rendered.

Membership subscriptions

Membership services requires the annual subscription payment to be made upfront. A contract liability is recognised on receipt of the payment and recognised on a straight-line basis as revenue as the services are provided.

Government COVID-19 stimulus income

Income is recognised in the period it is earned. This is generally consistent with when payment is received for the cash flow boost and small business grant. For JobKeeper payments this is based on when amounts are receivable.

Interest revenue

Interest is recognised using the effective interest rate method.

Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies

(b) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

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

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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

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

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

(c) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies

(d) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of GST.

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

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

(e) Leases

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

(i) Right-of-use asset

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies

(e) Leases

(i) Right-of-use asset

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

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

(ii) Lease liability

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

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

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

(f) Cash and cash equivalents

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

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies

(g) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost of inventory is determined using the weighted average costs basis and is net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(h) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. 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 classifies its financial assets into the following categories, those measured at:

- amortised cost; or
- fair value through profit or loss (FVTPL)

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

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies

(h) Financial instruments

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model 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 and 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 balance sheet.

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

Interest income and impairment are recognised in profit or loss.

Gain or loss on derecognition is recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL.

Net gains or losses, including any interest income are recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a 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.

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies

(h) Financial instruments

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); or
- the financial assets is more than 90 days past due.

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 has 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 contract asset 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 expense. 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.

Financial assets measured at amortised cost

Impairment of 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.

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies

(h) Financial instruments

Financial liabilities

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

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

(i) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(j) Property, Plant and Equipment

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

Under the cost model, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies

(j) Property, Plant and Equipment

Land and buildings are measured using the revaluation model.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Depreciation

Property, plant and equipment, is depreciated on either a straight-line or diminishing value basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

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

Fixed asset class	Depreciation rate
Buildings	2 - 20%
Plant and equipment	9 - 30%
Poker machines	25 - 50%
Leasehold improvements	2.5%
Kitchen/bistro equipment	6 - 20%
Bar equipment	6 - 20%

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

(k) Employee benefits

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

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies

(k) Employee benefits

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(l) Mortality fund payments

Payments relating to mortality fund are recognised as an expense in the period that they are paid.

(m) Going concern

Prior to balance date, the operating lease for the land relating to the Club's principal place of business (core property) had expired, with the formal lease arrangements continuing on a monthly tenancy basis under the holding over provisions of the original lease agreement.

The Directors have been negotiating the terms of a new lease agreement, with terms yet to be finalised. Under the existing lease agreement, either party may cancel the lease by giving 3 months' notice in writing. At the date of signing this financial report, no such notice has been executed. The Directors are of the opinion that the lease negotiation discussions are in the concluding stages, with only minor terms yet to be agreed upon and, accordingly, expect that a formal lease agreement will be signed shortly after the signing this financial report.

Whilst the Directors are confident that the lease will be finalised and executed, it should be noted that if a lease is not able to be secured, then there may likely be impacts on the ability of the company to continue as a going concern and therefore, it will be required to review whether it will realise its assets and liabilities in the normal course of business and at the amounts stated in the financial report.

Where the company is no longer considered to be a going concern, the financial report would have to be prepared on a liquidation basis, where the allocation value of assets assumes importance, addition liabilities may accrue and the current versus non-current classification of liabilities becomes less critical than the seniority features of debt and other preferences in liquidation.

Notes to the Financial Statements

For the Year Ended 31 December 2021

3 Critical Accounting Estimates and Judgments

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

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

The significant estimates and judgements made have been described below:

Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers.

Key estimates - useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain property, plant and equipment.

Key estimates - employee entitlements

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made after taking into account a range of possible outcomes, probabilities and assumptions and will vary as further information is obtained.

Key judgments - deferred tax assets

Determining income tax provisions involves judgment on the tax treatment of certain transactions. Deferred tax is recognised on tax losses not yet used and on temporary differences where it is probable that there will be taxable revenue against which these can be offset. Management has made judgments as to the probability of future taxable revenues being generated against which tax losses will be available for offset based on budgets, current and future expected economic conditions.

Notes to the Financial Statements

For the Year Ended 31 December 2021

4 Revenue and Other Income

	2021	2020
	\$	\$
Revenue from contracts with customers		
- Poker machine revenue	1,745,240	2,437,977
- Bar sales revenue	628,080	803,798
- Raffle income	81,026	97,849
- Commissions	77,543	94,782
- Member subscriptions	25,195	28,394
- Bingo income	17,327	12,450
- Function income	5,127	5,605
	<u>2,579,538</u>	<u>3,480,855</u>
Other revenue		
- Government COVID stimulus package	128,329	447,000
- Rental income	78,409	70,230
- GST gaming rebate	17,180	17,180
- Interest income	1,423	47
- Other income	59,790	4,500
	<u>285,131</u>	<u>538,957</u>

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated and the following table shows this breakdown:

Timing of revenue recognition

- At a point in time	2,554,343	3,452,461
- Over time	25,195	28,394
	<u>2,579,538</u>	<u>3,480,855</u>

Revenue from contracts with customers

Notes to the Financial Statements

For the Year Ended 31 December 2021

5 Result for the Year

Expenses

	2021	2020
	\$	\$
Superannuation contributions	79,323	82,995

6 Income Tax Expense

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

Current tax expense		
Local income tax	-	-
Deferred tax expense		
Recognition of previously unrecognised tax losses	(26,057)	(27,831)
Total income tax expense/(benefit)	(26,057)	(27,831)

(b) Reconciliation of income tax to accounting profit:

Prima facie tax payable on profit from ordinary activities before income tax at 50% (2020: 26.0%)	(44,000)	131,910
Tax effect of:		
- Non-deductible member only income	(29,274)	44,595
- Income and expenditure subject to mutuality and not assessable	83,207	(161,546)
- Sundry items	(36,440)	(42,790)
Income tax expense/(benefit)	(26,507)	(27,831)

Notes to the Financial Statements

For the Year Ended 31 December 2021

7 Cash and cash equivalents

	2021	2020
	\$	\$
Cash on hand	111,600	111,600
Cash at bank	653,069	255,098
	<u>764,669</u>	<u>366,698</u>

8 Trade and other receivables

Trade and other receivables	<u>53,276</u>	<u>25,166</u>
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The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

(a) Impairment of receivables

The Company applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses incorporate forward looking information.

9 Inventories

Inventories	<u>29,633</u>	<u>29,331</u>
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10 Financial Assets

Financial assets held at FVTPL	750	750
Financial assets at amortised cost	-	700,000
	<u>750</u>	<u>700,750</u>

Notes to the Financial Statements

For the Year Ended 31 December 2021

11 Leases**Right-of-use assets**

	Buildings	Plant and Equipment	Total
	\$	\$	\$
Year ended 31 December 2021			
Balance at beginning of year	358,977	308,337	667,314
Additions to right-of-use assets	-	101,806	101,806
Revaluation of lease liabilities	(285,969)	-	(285,969)
Transfer to property, plant and equipment	-	(47,005)	(47,005)
Depreciation charge	(73,008)	(163,194)	(236,202)
Balance at end of year	-	199,944	199,944
Year ended 31 December 2020			
Balance at beginning of year	431,985	291,771	723,756
Additions to right-of-use assets	-	160,017	160,017
Depreciation charge	(73,008)	(143,451)	(216,459)
Balance at end of year	358,977	308,337	667,314

Notes to the Financial Statements

For the Year Ended 31 December 2021

11 Leases

Extension options

During the year the Directors have re-assessed the probability to extend under the option period provided on the current lease and believe that a further re-assessment will take place when a new lease is signed.

Statement of Profit or Loss and Other Comprehensive Income

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

	2021	2020
	\$	\$
Depreciation of right-of-use assets	236,202	216,459
Interest expense on lease liabilities	18,824	30,623
Gain on derecognition of right-of-use assets	(46,149)	-
	208,877	247,082

Statement of Cash Flows

Total cash outflow for leases	242,758	220,546
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Notes to the Financial Statements

For the Year Ended 31 December 2021

12 Intangible Assets

	2021	2020
	\$	\$
Gaming machine entitlements		
Cost	420,000	420,000
Accumulated amortisation and impairment	-	-
	<u>420,000</u>	<u>420,000</u>

(a) Movements in carrying amounts of intangible assets

	Gaming machine entitlements \$
Year ended 31 December 2021	
Balance at the beginning of the year	<u>420,000</u>
Closing value at 31 December 2021	<u>420,000</u>

(b) Gaming machine entitlement held at nil cost

In addition to the gaming machine entitlements noted above, the Company has 60 gaming machine entitlements which are held at nil cost.

Notes to the Financial Statements

For the Year Ended 31 December 2021

13 Property, plant and equipment

	2021	2020
	\$	\$
Land and buildings		
At fair value	2,021,983	2,000,000
Accumulated depreciation	(54,577)	(24,453)
	<u>1,967,406</u>	<u>1,975,547</u>
Plant and equipment		
At cost	686,352	541,011
Accumulated depreciation	(389,648)	(202,105)
	<u>296,704</u>	<u>338,906</u>
Poker machines		
At cost	1,713,467	1,117,446
Accumulated depreciation	(1,501,271)	(861,768)
	<u>212,196</u>	<u>255,678</u>
Leasehold improvements		
At cost	3,912,894	3,589,787
Accumulated amortisation	(1,961,832)	(1,892,004)
	<u>1,951,062</u>	<u>1,697,783</u>
Kitchen/bistro equipment		
At cost	344,949	321,959
Accumulated depreciation	(284,700)	(253,512)
	<u>60,249</u>	<u>68,447</u>
Bar equipment		
At cost	187,979	187,979
Accumulated depreciation	(143,993)	(140,668)
	<u>43,986</u>	<u>47,311</u>
Total property, plant and equipment	<u><u>4,531,603</u></u>	<u><u>4,383,672</u></u>

Corrimal R S L Memorial Club Ltd

ABN: 83 000 872 033

Notes to the Financial Statements

For the Year Ended 31 December 2021

13 Property, plant and equipment

(a) Movements in Carrying Amounts

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

	Land and Buildings	Plant and Equipment	Poker machines	Leasehold improvements	Kitchen/ bistro equipment	Bar equipment	Total
	\$	\$	\$	\$	\$	\$	\$
Year ended 31 December 2021							
Balance at the beginning of year	1,975,547	338,906	255,678	1,697,783	68,447	47,311	4,383,672
Additions	-	22,742	12,750	383,063	5,191	-	423,746
Disposals	-	(2,915)	-	(51,659)	-	-	(54,574)
Transfers from right-of-use assets	-	-	47,005	-	-	-	47,005
Depreciation expense	(8,141)	(62,029)	(103,237)	(78,125)	(13,389)	(3,325)	(268,246)
Balance at the end of the year	1,967,406	296,704	212,196	1,951,062	60,249	43,986	4,531,603

Notes to the Financial Statements

For the Year Ended 31 December 2021

13 Property, plant and equipment

(b) Core and non-core property

As required under section 41J of the *Registered Clubs Act 1976*, the Club is required to specify the core property and non-core properties owned as at the end of the financial year. Accordingly, the Directors consider as core property the leased licensed premises from which the Club operates at 168 Princes Highway, Corrimal, including all freehold land referred to in the title deeds of the main licensed premises site (predominantly the car parking area).

The properties at 148 & 152 Princes Highway, Corrimal, are not considered to be core properties of the Club given that they are not the defined premises of the Club, nor any facility provided to the Club for the use of its members and their guests, nor any other property declared, by a resolution passed by the majority of the members present at a general meeting of the ordinary members of the Club.

(c) Revaluation of land and buildings

The Company engages independent and qualified valuers to determine the fair value of the Company's land and buildings at least every three years. The most recent valuation was performed at 31 December 2019.

The Directors believe that this continues to represent fair value.

14 Trade and other payables

	2021	2020
	\$	\$
Trade payables	135,688	49,917
Other payables	180,162	215,791
	315,850	265,708

Notes to the Financial Statements

For the Year Ended 31 December 2021

15 Borrowings

	2021	2020
	\$	\$
CURRENT		
<i>Unsecured liabilities:</i>		
Bank loans	<u>92,740</u>	<u>82,950</u>
NON-CURRENT		
<i>Secured liabilities:</i>		
Bank loans	<u>1,760</u>	<u>779</u>

Defaults and breaches

During the current and prior year, there were no defaults or breaches on any of the loans.

Mortgages, charges and securities

During the year, there was a mortgage held over 148-152 Princes Highway, Corrimal NSW, as security for the borrowings.

16 Employee Benefits

CURRENT		
Long service leave	47,582	62,753
Other employee benefits	<u>119,636</u>	<u>127,139</u>
	<u>167,218</u>	<u>189,892</u>
NON-CURRENT		
Long service leave	<u>21,748</u>	<u>13,165</u>

Notes to the Financial Statements

For the Year Ended 31 December 2021

17 Tax assets and liabilities

	Opening Balance	Charged to Income	Charged directly to Equity	Changes in Tax Rate	Closing Balance
	\$	\$	\$	\$	\$
Deferred tax liability					
Property, plant and equipment	460,467	(10,603)	-	(25,116)	424,748
Deferred tax assets attributable to tax losses	(53,752)	8,743	-	2,932	(42,077)
Balance at 31 December 2020	406,715	(1,860)	-	(22,184)	382,671
Property, plant and equipment	424,748	(2,117)	-	(16,255)	406,376
Deferred tax assets attributable to tax losses	(42,077)	(10,144)	-	2,009	(50,212)
Balance at 31 December 2021	382,671	(12,261)	-	(14,246)	356,164

18 Key Management Personnel Disclosures

Remuneration paid to key management personnel of the Company was \$ 153,797 (2020: \$ 148,171).

Key Management Personnel are provided with and/or reimbursed for meals, drinks and other expenses incurred in the course of undertaking the Company's business. These costs are not considered to be remuneration and hence have not been included in this disclosure; notwithstanding that they are within the approved limits set by members at the Annual General Meeting for each term of the Board.

Notes to the Financial Statements

For the Year Ended 31 December 2021

19 Contingencies

Contingent Liabilities

Corrimal R S L Memorial Club Ltd has a bank guarantee of \$5,000 at 31 December 2021 (2020: \$5,000). This bank guarantee is in respect of guarantees to third parties arising out of normal business.

20 Related Parties

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

A director pays rent to the Club which is domestic in nature and is on normal commercial terms.

21 Reserves

Asset revaluation surplus

The property, plant and equipment asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings, see accounting policy note 2(j) for details.

22 Events Occurring After the Reporting Date

The financial report was authorised for issue on 6 May 2022 by the Board of Directors.

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial periods.

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 33, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 31 December 2021 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Neil McLean
Director

Wollongong
Dated: 6 May 2022



Independent Audit Report to the members of Corrimal R S L Memorial Club Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Corrimal R S L Memorial Club Ltd (the Company), which comprises the balance sheet as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2021 and of its financial performance for the year 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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ABN 43 152 844 291

Liability limited by a
Scheme approved under
Professional Standards
Legislation.





Independent Audit Report to the members of Corrimal R S L Memorial Club Ltd

Other Information

The Directors are responsible for the other information. The other information comprises the Director's Report for the year ended 31 December 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of 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 Responsibilities for the Audit of the Financial Report

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



Independent Audit Report to the members of Corrimal R S L Memorial Club Ltd

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditors report.

Daley Audit

Stephen Milgate
Partner

Wollongong

Dated: 6 May 2022

Liability limited by a Scheme approved under the Professional Standards Legislation.