

**ROSE BAY RSL CLUB CO-OP LIMITED**  
A.B.N. 27 950 495 122

**DIRECTORS' REPORT**

Your directors present their report on the Co-operative for the financial year ended 31st December 2022.

**DIRECTORS**

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

**Name and Qualifications**

Allan Hirschel (President)  
Martin Mitchell (Director)  
Pamela Porter (Director)  
Janice Ringrose (Director)  
Claire Mitchell (Director)  
Jon Hall (Director)  
Kearney Martin (Director)  
Gary McFarlane (Treasurer - Resigned 25/03/22)  
Catherine Cosgrove (Director - Resigned 25/02/22)

**MEETINGS OF DIRECTORS**

During the financial year, 15 meetings of directors were held. Attendances were:

<b>Directors</b>	<b>Eligible To Attend</b>	<b>Attended</b>
Alan Hirschel	15	13
Martin Mitchell	15	13
Janice Ringrose	15	13
Pamela Porter	15	14
Claire Mitchell	15	13
Jon Hall	15	9
Kearney Martin	15	1
Cathrine Cosgrove	3	1
Gary McFarlane	4	3

**CO-OPERATIVE CEO**

The following person held the position of Chief Executive Officer at the end of the financial year:  
Mr David Bell

**OPERATING RESULTS**

The Loss of the Co-operative for the financial year after providing for income tax amounted to \$363,437 (2021: Loss \$322,076). This result was after charging \$279,151 (2021: \$282,558) for Depreciation and Amortisation.

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**DIRECTORS' REPORT**

**MEMBERSHIP**

The number of members at 31st December 2022 was 3,720 (2021: 1,200).

**REVIEW OF OPERATIONS**

The Co-operative continued to provide the facilities of a licensed club to the members and visitors during the year under review. The Co-operative has 14 (2021: 6) employees at balance date.

**PRINCIPAL ACTIVITY**

The principal activity of the Co-operative during the course of the financial year consisted of the conduct and promotion of a registered and licensed social Club for members of the Co-operative.

No significant change in the nature of these activities occurred during the year.

**SHORT TERM AND LONG TERM OBJECTIVES**

The Co-operative's short term objectives are to:

- i) Increase functions, encourage various ethnic, cultural, sporting groups.
- ii) Increase patronage and attendances at raffles and promotions.
- iii) Continual changes and monitoring of gaming room and equipment.
- iv) Introduce new entertainment with live music and stage shows.
- v) Increase food sales, encourage families through menu choices.

The Co-operative's long term objectives are to:

- i) Make a profit after depreciation and finance costs.
- ii) Continually upgrading gaming machines, function rooms and member facilities.
- iii) Increase marketing via email and text messaging.
- iv) To better utilise certain areas of the Co-operative with a view of long term leasing thus providing a solid income stream.
- v) Rejuvenate the exterior of the Co-operative with colours, lighting and signage.

to achieve these objectives, the Co-operative has adopted the following strategies:

- i) Engage with music industry and entertainment groups.
- ii) Offer greater raffle and promotion prizes.
- iii) Continual investment in gaming related equipment.
- iv) To re-engage with prospective clients interested in long term leasing of the Co-operative's areas.

**EVENTS AFTER THE REPORTING PERIOD**

Since the end of the reporting period there has been a re-draw on the ANZ loan facility amounting to \$97,065.

**ROSE BAY RSL CLUB CO-OP LIMITED**  
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**DIRECTORS' REPORT**

**PERFORMANCE MEASUREMENT AND KEY PERFORMANCE INDICATORS**

- < Financial results are reviewed by the Board on a monthly basis;
- < A measure of the Co-operative's financial reserves has been established and this is monitored monthly to ensure the Co-operative's solvency;
- < Member numbers are monitored monthly;
- < Board members have experience in business generally.

**AUDITORS' INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE  
CORPORATIONS ACT 2001**

A copy of the Auditor's Independence Declaration follows this Directors' Report.

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

  
Allan Hirschel  
President

  
Martin Mitchell  
Director

**Date:**

## AUDITOR'S INDEPENDENCE DECLARATION

### AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF ROSE BAY RSL CLUB CO-OP LIMITED

In accordance with s 307C of *the Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Rose Bay RSL Club Co-Op Limited. As the lead audit partner for the audit of the financial report of Rose Bay RSL Club Co-Op Limited for the year ended 31/12/2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of *the Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



**Chartered Accountants**

A handwritten signature in black ink, appearing to read 'D R Conroy', written over a faint, light-colored signature line.

**D R Conroy**  
**Principal**  
154 Elizabeth Street SYDNEY NSW 2000  
Sydney  
Dated:

**ROSE BAY RSL CLUB CO-OP LIMITED**  
**A.B.N. 27 950 495 122**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31st DECEMBER 2022**

	Notes	2022 \$	2021 \$
<b>Revenue</b>			
Sale of goods		504,039	221,248
Rendering of services		737,103	442,568
Other revenue		<u>62,455</u>	<u>252,452</u>
<b>Total revenue</b>	<b>2</b>	<b><u>1,303,597</u></b>	<b><u>916,268</u></b>
<b>Expenses</b>			
Cost of sales	3	(202,770)	(149,661)
Employment and staffing expenses		(493,224)	(431,285)
Entertainment, marketing and promotional costs		(42,069)	(17,622)
Gaming licenses and taxes		(46,188)	(20,894)
Property expenses		(329,900)	(179,122)
Other expenses		<u>(235,302)</u>	<u>(117,371)</u>
<b>Total expenses</b>		<b><u>(1,349,453)</u></b>	<b><u>(915,955)</u></b>
<b>Earnings before depreciation and finance costs</b>		<b><u>(45,856)</u></b>	<b><u>313</u></b>
Depreciation and amortisation expense	3	(279,151)	(282,558)
Finance costs	3	<u>(38,430)</u>	<u>(39,831)</u>
<b>Profit (Loss) before income tax</b>	<b>3</b>	<b><u>(363,437)</u></b>	<b><u>(322,076)</u></b>
Income tax expense	1-4	<u>-</u>	<u>-</u>
<b>Net Profit (Loss)</b>		<b><u>(363,437)</u></b>	<b><u>(322,076)</u></b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<b><u>(363,437)</u></b>	<b><u>(322,076)</u></b>

**ROSE BAY RSL CLUB CO-OP LIMITED**  
**A.B.N. 27 950 495 122**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31st DECEMBER 2022**

		2022	2021
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	5	370,993	474,974
Trade and Other Receivables	7	54,813	52,816
Inventories	6	<u>20,719</u>	<u>19,745</u>
<b>TOTAL CURRENT ASSETS</b>		<u>446,525</u>	<u>547,535</u>
<b>NON-CURRENT ASSETS</b>			
Right of Use Assets	8	633,362	677,042
Property, Plant and Equipment	8	<u>775,091</u>	<u>849,506</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>1,408,453</u>	<u>1,526,548</u>
<b>TOTAL ASSETS</b>		<u>1,854,978</u>	<u>2,074,083</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	9	383,373	141,843
Financial Liabilities	11	156,668	173,854
Provisions	10	<u>151,002</u>	<u>169,204</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>691,043</u>	<u>484,901</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	10	-	15,794
Financial Liabilities	11	<u>764,661</u>	<u>810,677</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>764,661</u>	<u>826,471</u>
<b>TOTAL LIABILITIES</b>		<u>1,455,704</u>	<u>1,311,372</u>
<b>NET ASSETS</b>		<u><u>399,274</u></u>	<u><u>762,711</u></u>
<b>MEMBERS' FUNDS</b>			
Retained Earnings		<u>399,274</u>	<u>762,711</u>
<b>TOTAL MEMBERS' FUNDS</b>		<u><u>399,274</u></u>	<u><u>762,711</u></u>

**ROSE BAY RSL CLUB CO-OP LIMITED**  
**A.B.N. 27 950 495 122**

**STATEMENT OF CHANGES IN MEMBERS' FUNDS**  
**AS AT 31st DECEMBER 2022**

	<b>RETAINED EARNINGS</b>	<b>TOTAL</b>
	<b>\$</b>	<b>\$</b>
<b>Total Members' Funds at 1/1/21</b>	1,084,787	1,084,787
Profit (Loss) for the year	<u>(322,076)</u>	<u>(322,076)</u>
<b>Total Members' Funds at 31/12/21</b>	<b><u>762,711</u></b>	<b><u>762,711</u></b>
Profit (Loss) for the year	(363,437)	(363,437)
<b>Total Members' Funds at 31/12/22</b>	<b><u>399,274</u></b>	<b><u>399,274</u></b>

**ROSE BAY RSL CLUB CO-OP LIMITED**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31st DECEMBER 2022**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from Trading	1,441,217	778,392
Government Stimulus	-	207,857
Payments to Suppliers and Employees	(1,314,315)	(915,351)
Interest Received	349	782
Interest and Borrowing costs paid	<u>(6,974)</u>	<u>(8,885)</u>
<b>Net cash provided by (used in) operating activities</b>	<b><u>120,277</u></b>	<b><u>62,795</u></b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for Property, Plant & Equipment	8 <u>(161,056)</u>	<u>(32,201)</u>
<b>Net cash provided by (used in) investing activities</b>	<b><u>(161,056)</u></b>	<b><u>(32,201)</u></b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayments of Borrowings (net)	<u>(63,202)</u>	<u>(157,024)</u>
<b>Net cash provided by (used in) financing activities</b>	<b><u>(63,202)</u></b>	<b><u>(157,024)</u></b>
<b>Net increase (decrease) in cash held</b>	<b><u>(103,981)</u></b>	<b><u>(126,430)</u></b>
Cash as at 1st January 2022	<u>474,974</u>	<u>601,404</u>
<b>CASH AS AT 31st December 2022</b>	5 <b><u><u>370,993</u></u></b>	<b><u><u>474,974</u></u></b>



**ROSE BAY RSL CLUB CO-OP LIMITED**  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 31st DECEMBER 2022**

**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting entity**

The financial statements are for Rose Bay RSL Club Co-Op Limited as an individual entity domiciled in Australia. Rose Bay RSL Club Co-Op Limited is a Co-operative for reporting purposes.

**Going concern**

The financial statements have been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business for a period of at least twelve months from the date of these financial statements were approved.

As at 31 December 2022, the co-operative incurred a net loss of \$363,437 (2021: net loss of \$322,076) with positive cash flows from operating activities of \$120,277 (2021: \$62,795).

The Directors believe that the going concern basis is appropriate given:

- The Co-operative has ongoing support of its financiers.
- The Co-operative has met all financial covenants with respect to the facilities during the past twelve months and is forecasting to meet all of the covenants over the coming twelve months.

After considering the above, the Directors consider that the Co-operative will be able to continue to fulfil all obligations as and when they fall due for the foreseeable future, being at least twelve months from the date of approval of these financial statements, and accordingly, that the Co-operative's financial statements should be prepared on a going concern basis. Accordingly, no adjustment has been made to the financial report relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Co-operative not continue as a going concern.

**Covid 19**

Previous year revenue comparative figures were affected by the 15 week covid related shutdown of the Co-operative from June to October 2022.

**Basis of Preparation**

Rose Bay RSL Club Co-Op Limited applies Australian Accounting Standards - Simplified Disclosure Requirements (SD) as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

The financial statements are general purpose financial statements that have been prepared in accordance with Accounting Standards, Simplified Disclosure Requirements (SD) of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The entity 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 otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accrual 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 financial statements were authorised for issue by the directors of the Co-operative.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 31st DECEMBER 2022**

**NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Income Tax**

The income tax expense as stated in the Statement of Comprehensive Income is the amount calculated to be payable based on a formula determined by the Australian Taxation Office. Clubs are only assessed for income tax on the proportion of income derived from non-members, investments and other income specifically assessable under the Income Tax Assessment Act. Tax Effect accounting has been adopted.

Deferred tax assets relating to temporary timing differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available to absorb those timing differences.

Deferred Tax Assets in the form of provisions for staff leave have not been raised as an asset in the accounts due to the relatively low and variable recovery of the tax benefits.

**Inventories**

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

**Property, Plant and Equipment**

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

***Property***

Freehold Land and Buildings are carried at deemed cost less, where applicable, any accumulated depreciation. The carrying amount of land and buildings is reviewed annually by the Co-operative's Directors to ensure that the carrying amount is not less than their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arms length transaction).

***Plant and Equipment***

Plant and equipment are measured on the cost basis less, where applicable, depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by the Co-operative to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

***Depreciation***

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis and diminishing value basis over their useful lives to the Co-Operative commencing from the time the asset is held ready for use. The depreciation rates used for each class of assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Leasehold improvements	10%
Plant & equipment	7.5% - 33.3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**ROSE BAY RSL CLUB CO-OP LIMITED**  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 31st DECEMBER 2022**

**NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Impairment of Assets**

At each reporting date, the Co-operative reviews the carrying values of its tangible 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 assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

**Leases**

The entity as lessee

At inception of a contract, the entity assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the entity where the entity is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease. Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the entity uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the entity anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

**Employee Benefits**

Provision is made for the Co-operative's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Long Service Leave entitlements are provided for after 5 years service. Contributions are made by the Co-operative to employee super funds and are charged as expenses when incurred.

**ROSE BAY RSL CLUB CO-OP LIMITED**  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 31st DECEMBER 2022**

**NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Revenue recognition**

The entity recognises revenue as follows:

*Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the Co-operative is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Co-operative: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

*Sales revenue*

*Food and beverage*

Food and beverage revenue is recognised when received or receivable.

*Membership subscriptions*

Membership subscriptions are recognised in the year they relate to on an accruals basis.

*Interest revenue*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

*Donations*

Donations are recognised when received.

*Grants*

Grant revenue is recognised in profit or loss when the Co-operative satisfies the performance obligations stated within the funding agreements.

*Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 31st DECEMBER 2022**

**NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Co-operative's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Co-operative's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

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

**Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian tax office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset and as part of an expense item. Receivables and payables in the Balance Sheet are shown inclusive of GST.

**Cash**

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

**Comparative Figures**

In 2021 year, the comparative figures were subject to a review and were not audited. Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

**ROSE BAY RSL CLUB CO-OP LIMITED**  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 31st DECEMBER 2022**

**NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Critical Accounting Estimates Judgments and Assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Estimation of useful lives of assets*

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

*Impairment of non-financial assets other than goodwill and other indefinite life intangible assets*

The Co-operative assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

*Employee benefits provision*

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

**The Notes to the Financial Statements**

The notes present information that is relevant to an understanding of the material items contained in the financial statements. The notes give prominence to areas of the Co-operative's activities that are considered to be most relevant to an understanding of the statement of financial position and the profit or loss and other comprehensive income and statement of changes in members' funds and cashflows and are cross referenced to those statements.

**New and Amended Accounting Standards Adopted by the Entity**

Initial adoption of AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities.

The entity has adopted AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities for the first time this reporting period. The Standard, which sets out a new separate disclosure Standard to be applied by all entities that are reporting under Tier 2 of the Differential Reporting Framework in AASB 1053: Application of Tiers of Australian Accounting, replaces the previous Reduced Disclosure Requirements (RDR) framework. The application of this standard has resulted in reductions in disclosures compared to RDR in Revenue, Leases and Financial Instruments; however has resulted in new and/or increased disclosures in areas such as Audit Fees and Related Parties.

**ROSE BAY RSL CLUB CO-OP LIMITED**  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 31st DECEMBER 2022**

	2022	2021
	\$	\$
<b>NOTE 2- REVENUE</b>		
<b>Operating Activities:</b>		
Bar Sales	504,039	221,248
Poker Machine Takings	609,117	265,370
Members' Subscriptions	7,296	3,018
Commission Received	35,166	18,310
Bingo & Raffle Income	2,216	3,315
Room Hire & Catering Revenue	83,308	152,555
Interest Received	349	782
Other Income	138,549	43,813
Government Stimulus	(76,443)	207,857
Total Revenue	<u>1,303,597</u>	<u>916,268</u>
<b>NOTE 3 - PROFIT FROM ORDINARY ACTIVITIES</b>		
(a) Profit from ordinary activities before income tax has been determined after:		
<b>Cost of Sales:</b>		
Bar & Catering	<u>202,770</u>	<u>149,661</u>
Total Cost of Sales	<u>202,770</u>	<u>149,661</u>
<b>Depreciation of Non-Current Assets:</b>		
Leasehold Improvements	84,246	83,110
Furniture, Plant & Fittings	50,666	54,465
Poker Machines	<u>100,559</u>	<u>101,303</u>
Total Depreciation	<u>235,471</u>	<u>238,878</u>
Amortisation Right of Use Assets	<u>43,680</u>	<u>43,680</u>
	<u>43,680</u>	<u>43,680</u>
Total Depreciation and Amortisation	<u>279,151</u>	<u>282,558</u>
<b>Finance Charges</b>		
Interest	6,974	8,885
Interest Right of Use Assets	<u>31,456</u>	<u>30,946</u>
Total	<u>38,430</u>	<u>39,831</u>
<b>(b) Key Performance Indicators</b>		
Bar Gross Profit Percentage	60%	59%
Total Wages Percentage	37%	40%
EBITDA Percentage	-3.5%	0.03%

**ROSE BAY RSL CLUB CO-OP LIMITED**  
**A.B.N. 27 950 495 122**

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 31st DECEMBER 2022**

	2022	2021
	\$	\$
<b>NOTE 4: INCOME TAX EXPENSE</b>		
The Income Tax Assessment Act provides that under the concept of mutuality clubs are only liable for income tax on income derived from non-members and other income made specifically assessable.		
The prima facie tax on operating profit is reconciled to the income tax provided in the accounts as follows:		
Prima facie tax payable on operating profit before income tax at 25% (2021: 26%)	(90,859)	(83,740)
Add/(deduct):		
Adjustment under the concept of mutuality	48,861	104,773
Non-assessable income	9,512	6,333
Non-allowable deductions	32,486	(27,366)
Income tax expense attributable to operating profit	<u>-</u>	<u>-</u>
<b>NOTE 5 - CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	63,000	65,000
Cash at Bank	28,697	130,678
Deposits	279,296	279,296
	<u>370,993</u>	<u>474,974</u>
<b>NOTE 6 - INVENTORIES</b>		
<b>Current</b>		
Finished Goods - at Cost		
Liquor stock	20,719	19,745
	<u>20,719</u>	<u>19,745</u>
<b>NOTE 7 - OTHER ASSETS</b>		
Trade and other Receivables	54,813	52,816
	<u>54,813</u>	<u>52,816</u>
<b>NOTE 8 - PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Leasehold Property</b>		
Leasehold Improvements at cost	4,505,926	4,530,007
Less Accumulated Depreciation	(4,177,464)	(4,120,649)
Total Leasehold Property	<u>328,462</u>	<u>409,358</u>
<b>Furniture, Plant and Equipment</b>		
Furniture, Plant and Equipment at Cost	2,140,944	2,497,511
Less Accumulated Depreciation	(1,936,922)	(2,272,441)
Total Furniture, Plant and Equipment	<u>204,022</u>	<u>225,070</u>
<b>Poker Machines at Cost</b>		
Poker Machines at Cost	1,751,213	1,623,125
Less Accumulated Depreciation	(1,508,606)	(1,408,047)
Total Poker Machines at Cost	<u>242,607</u>	<u>215,078</u>
	<u>775,091</u>	<u>849,506</u>



**ROSE BAY RSL CLUB CO-OP LIMITED**  
**A.B.N. 27 950 495 122**

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 31st DECEMBER 2022**

	2022	2021
	\$	\$
<b>Right of use assets</b>		
Right of Use Assets - Operating Lease - Property Vickery Ave Rose Bay	808,082	808,082
Less Accumulated Amortisation	<u>(174,720)</u>	<u>(131,040)</u>
Total Right of Use Assets	<u>633,362</u>	<u>677,042</u>

The Co-operative has signed an operating lease agreement of 20 years with Rose Bay RSL Sub-Branch effective July 20

**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:

	Leasehold Property	Plant & FF	Poker Machines	Total
Balance at the beginning of year	409,358	225,070	215,078	849,506
Additions	-	32,968	128,088	161,056
Transfers	3,350	(3,350)	-	-
Depreciation expense	<u>(84,246)</u>	<u>(50,666)</u>	<u>(100,559)</u>	<u>(235,471)</u>
Carrying amount at the end of year	<u>328,462</u>	<u>204,022</u>	<u>242,607</u>	<u>775,091</u>

**NOTE 9 - TRADE AND OTHER PAYABLES**

**Current**

**Unsecured liabilities**

Trade Creditors and Accrued Expenses	383,373	141,843
Total Trade Creditors and Accrued Expenses	<u>383,373</u>	<u>141,843</u>

**NOTE 10 – SHORT TERM PROVISIONS**

**Current**

Employee Entitlements	151,002	169,204
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**Non-Current**

Employee Entitlements	-	15,794
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**Aggregate Employee Entitlements Liability**

Aggregate Employee Entitlements Liability	151,002	184,998
Number of employees at year end	<u>14</u>	<u>6</u>

**Superannuation commitment**

The Co-operative contributes to various superannuation plans for employees.

**Types of benefits**

The fund provides benefits that represent the accumulation of contributions to employers, providing lump sum or annuity benefits upon retirement, death or disability.

**Contributions**

The Co-operative is under a legal obligation to contribute 10.5% of each employee's base salary to a super fund.

Details of contributions during the year are as follows:

Employer contributions to the plans	36,115	32,695
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**ROSE BAY RSL CLUB CO-OP LIMITED**  
**A.B.N. 27 950 495 122**

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 31st DECEMBER 2022**

	2022	2021
	\$	\$
<b>NOTE 11 - FINANCIAL LIABILITIES</b>		
<b>Current</b>		
Lease liabilities - operating	34,872	33,434
Lease liabilities - other	42,696	61,320
Loans secured	79,100	79,100
	<u>156,668</u>	<u>173,854</u>
<b>Non-Current</b>		
Lease liabilities - operating	679,478	721,358
Lease liabilities - other	64,044	-
Loans secured	21,139	89,319
	<u>764,661</u>	<u>810,677</u>

The Co-operative has a loan facility with ANZ Bank Ltd for \$188,398 and overdraft of \$65,000. The facilities are secured by a term deposit.

**NOTE 12 - KEY MANAGEMENT PERSONNEL COMPENSATION / RELATED PARTIES**

**Transactions with key management personnel**

The key management personnel compensations are included in "Employee and Staffing Expenses".

**Other Related Party Transactions**

<b>Honorariums Paid</b>		
President	3,999	1,666
Treasurer	1,333	1,666
	<u>1,333</u>	<u>1,666</u>

Apart from the details disclosed in this note, no director has entered into a material contract with the Co-operative since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

From time to time, directors of the Co-operative, or their director-related entities, may purchase goods from the Co-operative. These purchases are on the same terms and conditions as those entered into by other Co-operative employees or customers and are trivial or domestic in nature.

**NOTE 13 - FINANCIAL RISK MANAGEMENT**

The Co-operative's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

<b>Financial assets</b>		
Cash on Hand	63,000	65,000
Cash at Bank	28,697	130,678
Deposits	279,296	279,296
	<u>370,993</u>	<u>474,974</u>
<b>Financial liabilities</b>		
Trade Creditors, Accrued Expenses & Loans	1,304,702	1,126,374
	<u>1,304,702</u>	<u>1,126,374</u>

**ROSE BAY RSL CLUB CO-OP LIMITED**  
**A.B.N. 27 950 495 122**

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 31st DECEMBER 2022**

	2022	2021
	\$	\$
<b>NOTE 14 - FAIR VALUE MEASUREMENTS</b>		
The Co-operative measures financial assets at fair value on a recurring basis after their initial recognition. The Co-operative 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.		
Financial assets at fair value	<u>370,993</u>	<u>474,974</u>
<b>NOTE 15 - CAPITAL AND LEASING COMMITMENTS</b>		
<b>Lease Commitments Payable</b>		
Not later than 1 year	42,696	61,320
Later than 2 but not later than 5 years	<u>64,044</u>	<u>-</u>
	<u>106,740</u>	<u>61,320</u>
<b>Current</b>	42,696	61,320
<b>Non-Current</b>	<u>64,044</u>	<u>-</u>
	<u>106,740</u>	<u>61,320</u>
<b>Capital Expenditure Commitments</b>		
Capital expenditure commitments contracted for: The Co-operative did not enter into any capital works contracts prior to 31/12/22.		
<b>NOTE 16 - CONTINGENT LIABILITIES AND ASSETS</b>		
A contingent liability/asset exists in connection with a matter with a former employee of the Club which is not able to be quantified at the date of the report.		
<b>NOTE 17 - AUDITOR'S REMUNERATION</b>		
Review fee	-	8,500
Audit fee	<u>17,000</u>	<u>-</u>
<b>NOTE 18 - EVENTS AFTER THE REPORTING PERIOD</b>		
Since the end of the reporting period there has been a re-draw on the ANZ loan facility amounting to \$97,065. The Co-operative currently owns 43 gaming entitlements. The Directors are looking to sell 27 of its entitlements to fund existing structural issues that have been developed over the last few years and will have 16 entitlements to operate its gaming machines.		
<b>NOTE 19 – CO-OPERATIVE DETAILS</b>		
The registered office of the Co-operative is: Rose Bay RSL Club Co-Op Limited, Vickery Avenue, Rose Bay NSW		

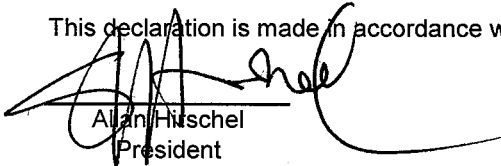
**ROSE BAY RSL CLUB CO-OP LIMITED**  
**A.B.N. 27 950 495 122**

**DIRECTORS' DECLARATION**

The directors of the Co-operative declare that:

1. The financial statements and notes
  - (a) comply with Australian Accounting Standards - Simplified Disclosures (SD) applicable to the entity; the Co-Operatives National Law and the Co-Operatives National Law Regulations; and
  - (b) give a true and fair view of the financial position as at 31 December 2022 and of its performance for the year ended on that date of the Co-operative.
2. In the directors' opinion there are reasonable grounds to believe that the Co-operative 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.

  
Alan Hirschel  
President

  
Martin Mitchell  
Director

Date:

**ROSE BAY RSL CLUB CO-OP LIMITED**

**A.B.N. 27 950 495 122**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF ROSE BAY RSL CLUB CO-OP LIMITED**

**Report on the Audit of the Financial Report**

**Opinion**

We have audited the financial report of Rose Bay RSL Club Co-Op Limited (The co-operative), which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Rose Bay RSL Club Co-Op Limited is in accordance with the *Corporations Act 2001* and the Co-operatives National Law and the Co-operatives National Law Regulations:

- (i) giving a true and fair view of The Co-operative's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and the Corporations Regulations 2001.

**Inherent Uncertainty Regarding Continuation as a Going Concern**

Without qualification to the opinion expressed above, attention is drawn to the following matters:

As a result of the matters described in note 1 "Going Concern" to the financial statements there is significant uncertainty whether the Co-operative will be able to continue as a going concern and whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Co-operative not continue as a going concern.

In 2021 year, the comparative figures were subject to a review and were not audited.

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

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Rose Bay RSL Club Co-Op 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 our opinion.

**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 Co-operative's annual report for the year ended 31 December 2022, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Directors for the Financial Report**

The directors of the Co-operative are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities 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 Co-operative'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 Co-operative or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Co-operative'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 Co-operative'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 Co-operative to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Co-operative to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Co-operative's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Chartered Accountants*



D. R. Conroy  
154 Elizabeth Street, Sydney NSW 2000  
Date:



**ROSE BAY RSL Co-operative CO-OP LIMITED**  
**A.B.N. 27 950 495 122**

**DISCLOSURE REQUIREMENTS UNDER S 41 OF THE REGISTERED CLUBS ACT 1976**

**Core and Non-Core Property**

Section 41E of the Registered Clubs Act 1976 requires the Club to disclose its Core and Non-Core property as defined in the annual report. The Club's Core property comprises the defined premises of the Co-operative situated at 1 Vickers Avenue Rose Bay NSW.

**Notes to Members**

1. Section 41E (5) of the Registered Co-operatives Act requires the Annual Report to specify the Club's Core and Non-Core Properties as at the end of the financial year to which the report related to.
2. Core Property is any real Property owned or occupied by the Co-operative that comprises:
  - (a) the defined premises of the Co-operative; Or
  - (b) any facility provided by the Co-operative 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 Co-operative to be Core Property of the Co-operative.
3. 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 Co-operative not to be Core Property.
4. The significance of the distinction between Core Property and Non-Core Property is that the Co-operative 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 Co-operative at which a majority of the votes cast supported the approval; and
  - (c) any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.