

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

Signed Directors'  
report  
Need to sign Director's  
Declaration

**DIRECTORS' REPORT**

Your directors present their report on the Co-operative for the financial year ended 31st December 2021.

**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)	Jan Ringrose (Director)
Gary McFarlane (Treasurer - Resigned 25/03/22)	Claire Mitchell (Director)
George Owen (Vice-President - Resigned 19/07/21)	Martin Mitchell (Director)
Pamela Porter (Director)	
Catherine Cosgrove (Director - Resigned 25/02/22)	

**MEETINGS OF DIRECTORS**

During the financial year, 6 meetings of directors were held. Attendances were:

<b>Directors</b>	<b>Eligible To Attend</b>	<b>Attended</b>
Gary McFarlane	6	4
Alan Hirschel	6	6
Jane Ringrose	6	5
Pamela Porter	6	6
Cathrine Cosgrove	6	5
Claire Mitchell	6	4
George Owen	3	2
Martin Mitchell	6	6

**CO-OPERATIVE CEO**

The following person held the position of Chief Executive Officer at the end of the financial year.  
Mr Paul Hardiman

**OPERATING RESULTS**

The Loss of the Co-operative for the financial year after providing for income tax amounted to -\$322,076.  
(2020: Loss -\$36,730).

This result was after charging \$282,558 (2020: \$314,138) for Depreciation and Amortisation.

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

**MEMBERSHIP**

The number of members at 31st December 2021 was 1,200 (2020: 1,355).

**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 6 (2020: 7) 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 clubs 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, encourages families through menu choices.

The clubs 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 Club with a view of long term leasing thus providing a solid income stream.
- v) Rejuvenate the exterior of the club with colours, lighting and signage.

to achieve these objectives, the club 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 Club areas.

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

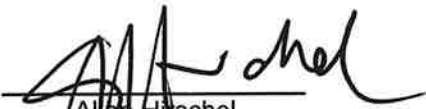
**PERFORMANCE MEASUREMENT AND KEY PERFORMANCE INDICATOR**

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

**AUDITORS' INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATION 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:

  
Allen Hirschel  
President

  
Martin Mitchell  
Director

Date: 23/6/22

## 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

To the Directors of Rose Bay RSL Club Co-Op Limited:

I declare that, to the best of my knowledge and belief, during the year ended 31st 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 review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

The audit opinion expressed in this report has been formed on the above basis.



**Chartered Accountants**

A handwritten signature in black ink, appearing to read "D R Conroy", is written over a white rectangular box.

**D R Conroy**  
**Principal**

154 Elizabeth Street SYDNEY NSW 2000

Sydney

Dated: 23/06/2022

**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 2021**

	Notes	2021 \$	2020 \$
<b>Revenue</b>			
Sale of goods		221,248	305,653
Rendering of services		442,568	831,591
Other revenue		<u>252,452</u>	<u>338,960</u>
<b>Total revenue</b>	2	<b><u>916,268</u></b>	<b><u>1,476,204</u></b>
<b>Expenses</b>			
Cost of sales	3	(149,661)	(227,342)
Employment and staffing expenses		(431,285)	(566,987)
Entertainment, marketing and promotional costs		(17,622)	(19,433)
Gaming licenses and taxes		(20,894)	(32,689)
Property expenses		(179,122)	(178,883)
Other expenses		<u>(117,371)</u>	<u>(131,895)</u>
<b>Total expenses</b>		<b><u>(915,955)</u></b>	<b><u>(1,157,229)</u></b>
<b>Earnings before depreciation and finance costs</b>		<b><u>313</u></b>	<b><u>318,975</u></b>
Depreciation and amortisation expense	3	(282,558)	(314,138)
Finance costs	3	<u>(39,831)</u>	<u>(41,567)</u>
<b>Profit (Loss) before income tax</b>	3	<b><u>(322,076)</u></b>	<b><u>(36,730)</u></b>
Income tax expense	1-4	<u>-</u>	<u>-</u>
<b>Net Profit (Loss)</b>		<b><u>(322,076)</u></b>	<b><u>(36,730)</u></b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<b><u>(322,076)</u></b>	<b><u>(36,730)</u></b>

The Accompanying Notes Form Part of These Financial Statements

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

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31st DECEMBER 2021**

		<b>2021</b>	<b>2020</b>
		<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	5	474,974	601,404
Trade and Other Receivables	7	52,816	111,036
Inventories	6	19,745	18,792
		<u>547,535</u>	<u>731,232</u>
<b>TOTAL CURRENT ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Right of use assets	8	677,042	720,722
Property, Plant and Equipment	8	849,506	1,056,183
		<u>1,526,548</u>	<u>1,776,905</u>
<b>TOTAL NON-CURRENT ASSETS</b>			
<b>TOTAL ASSETS</b>		<u>2,074,083</u>	<u>2,508,137</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	9	141,843	123,510
Financial Liabilities	11	173,854	153,219
Provisions	10	169,204	145,370
		<u>484,901</u>	<u>422,099</u>
<b>TOTAL CURRENT LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
Provisions	10	15,794	12,915
Financial Liabilities	11	810,677	988,336
		<u>826,471</u>	<u>1,001,251</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>			
<b>TOTAL LIABILITIES</b>		<u>1,311,372</u>	<u>1,423,350</u>
<b>NET ASSETS</b>		<u><u>762,711</u></u>	<u><u>1,084,787</u></u>
<b>MEMBERS' FUNDS</b>			
Retained Earnings		<u>762,711</u>	<u>1,084,787</u>
<b>TOTAL MEMBERS' FUNDS</b>		<u><u>762,711</u></u>	<u><u>1,084,787</u></u>

The Accompanying Notes Form Part of These Financial Statements

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

**STATEMENT OF CHANGES IN MEMBERS' FUNDS**  
**AS AT 31st DECEMBER 2021**

	<b>RETAINED EARNINGS</b>	<b>TOTAL</b>
	<b>\$</b>	<b>\$</b>
<b>Total Members' Funds at 1/1/20</b>	1,121,517	1,121,517
Profit (Loss) for the year	<u>(36,730)</u>	<u>(36,730)</u>
<b>Total Members' Funds at 31/12/20</b>	<b><u>1,084,787</u></b>	<b><u>1,084,787</u></b>
Profit (Loss) for the year	(322,076)	(322,076)
<b>Total Members' Funds at 31/12/21</b>	<b><u>762,711</u></b>	<b><u>762,711</u></b>

**ROSE BAY RSL CLUB CO-OP LIMITED**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31st DECEMBER 2021**

		2021 \$	2020 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from Trading		778,392	1,310,767
Government Stimulus		207,857	278,900
Payments to Suppliers and Employees		(915,351)	(1,544,931)
Interest Received		782	5,698
Interest and Borrowing costs paid		<u>(8,885)</u>	<u>(9,299)</u>
<b>Net cash provided by (used in) operating activities</b>		<u><b>62,795</b></u>	<u><b>41,135</b></u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment for Property, Plant & Equipment	8	(32,201)	(15,149)
<b>Net cash provided by (used in) investing activities</b>		<u><b>(32,201)</b></u>	<u><b>(15,149)</b></u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayments from Borrowings (net)		<u>(157,024)</u>	<u>(47,373)</u>
<b>Net cash provided by (used in) financing activities</b>		<u><b>(157,024)</b></u>	<u><b>(47,373)</b></u>
<b>Net increase/(decrease) in cash held</b>		<u><b>(126,430)</b></u>	<u><b>(21,387)</b></u>
Cash as at 1st January 2021		<u>601,404</u>	<u>622,791</u>
<b>CASH AS AT 31st December 2021</b>	<b>5</b>	<u><u><b>474,974</b></u></u>	<u><u><b>601,404</b></u></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 2021**

**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.

**Impact of covid-19 / going concern**

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements 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 2021, the company incurred a net loss of \$322,076 (2020: net loss of \$36,730). On the 26 June 2021 the Government announced the forced closure of the registered and licensed clubs, licensed premises in hotels and pubs.

On 11 October 2021, the Club reopened on legislated social distancing requirements and density rules. This closure and the transition to reopening, has had a significant impact on the Club's operating cash flows for the reporting period ended 31 December 2021 and up to the date of this report. Since re-opening trading has been positive. As a result of the continued impact of COVID-19, there is a high degree of uncertainty associated with forecasting cash flows for the twelve month period subsequent to the reporting date.

**Basis of Preparation**

Rose Bay RSL Club Co-Op Limited applies Australian Accounting Standards - Reduced Disclosure Requirements 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, Reduced Disclosure Requirements 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 company.

**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 2021**

**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 Club'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 Club 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%
Poker Machines	20%
Furniture and Fittings	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 2021**

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

**Impairment of Assets**

At each reporting date, the Club 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-operatives 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-Op 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 2021**

**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 company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: 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 company 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.

**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 2021**

**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 company'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 company'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**

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 2021**

**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 entity 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 entity 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 club'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.

**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 2021**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 2- REVENUE</b>		
<b>Operating Activities:</b>		
Bar Sales	221,248	305,653
Poker Machine Takings	265,370	565,591
Members Subscriptions	3,018	6,896
Commission Received	18,310	21,323
Bingo & Raffle Income	3,315	3,314
Room Hire & Catering Revenue	152,555	234,467
Interest Received	782	5,698
Other Income	43,813	54,362
Government Stimulus	207,857	278,900
Total Revenue	<u>916,268</u>	<u>1,476,204</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>149,661</u>	<u>227,342</u>
Total Cost of Sales	<u>149,661</u>	<u>227,342</u>
<b>Depreciation of Non-Current Assets:</b>		
Leasehold Improvements	83,110	94,218
Furniture, Plant & Fittings	54,465	72,644
Poker Machines	<u>101,303</u>	<u>103,596</u>
Total Depreciation	<u>238,878</u>	<u>270,458</u>
Amortisation Right of Use Assets	<u>43,680</u>	<u>43,680</u>
	43,680	43,680
<b>Finance Charges</b>		
Interest	8,885	9,299
Interest Right of Use Assets	<u>30,946</u>	<u>32,268</u>
Total	<u>39,831</u>	<u>41,567</u>
(b) Key Performance Indicators		
Gross Profit Percentage	59%	57%
Total Wages - Percentage of Total Revenue	40%	37%
<b>EBITDA Percentage</b>	0.03%	22%

**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 2021**

	2021	2020
	\$	\$
<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	(83,740)	(10,101)
Add/(deduct):		
Adjustment under the concept of mutuality	104,773	(42,705)
Non-assessable income	6,333	110,210
Non-allowable deductions	(27,366)	(57,404)
Future income tax benefit on losses not brought to account	-	-
Income tax expense attributable to operating profit	<u>0</u>	<u>0</u>
<b>NOTE 5 - CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	65,000	65,000
Cash at Bank	130,678	53,673
Deposits	279,296	482,731
	<u>474,974</u>	<u>601,404</u>
<b>NOTE 6 - INVENTORIES</b>		
<b>Current</b>		
Finished Goods - at Cost		
Liquor stock	19,745	18,792
	<u>19,745</u>	<u>18,792</u>
<b>NOTE 7 - OTHER ASSETS</b>		
Trade and other Receivables	52,816	111,036
	<u>52,816</u>	<u>111,036</u>
<b>NOTE 8 - PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Leasehold Property</b>		
Leasehold Improvements at cost	4,530,007	4,502,077
Less Accumulated Depreciation	(4,120,649)	(4,037,539)
Total Leasehold Property	<u>409,358</u>	<u>464,538</u>
<b>Furniture, Plant and Equipment</b>		
Furniture, Plant and Equipment at Cost	2,497,511	2,493,240
Less Accumulated Depreciation	(2,272,441)	(2,217,976)
Total Furniture, Plant and Equipment	<u>225,070</u>	<u>275,264</u>
<b>Poker Machines at Cost</b>		
Poker Machines at Cost	1,623,125	1,623,125
Less Accumulated Depreciation	(1,408,047)	(1,306,744)
Total Poker Machines at Cost	<u>215,078</u>	<u>316,381</u>
	<u>849,506</u>	<u>1,056,183</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 2021**

	2021	2020
	\$	\$
<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>(131,040)</u>	<u>(87,360)</u>
Total Right of Use Assets	<u><u>677,042</u></u>	<u><u>720,722</u></u>

The Club has signed an operating lease agreement of 20 years with Rose Bay RSL Sub-Branch effective July 2017.

**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	464,538	275,264	316,381	1,056,183
Additions	27,930	4,271	-	32,201
Disposals & W/Offs	-	-	-	-
Depreciation expense	<u>(83,110)</u>	<u>(54,465)</u>	<u>(101,303)</u>	<u>(238,878)</u>
Carrying amount at the end of year	<u><u>409,358</u></u>	<u><u>225,070</u></u>	<u><u>215,078</u></u>	<u><u>849,506</u></u>

**NOTE 9 - TRADE AND OTHER PAYABLES**

**Current**

**Unsecured liabilities**

Trade Creditors and Accrued Expenses	141,843	123,510
Total Trade Creditors and Accrued Expenses	<u><u>141,843</u></u>	<u><u>123,510</u></u>

**NOTE 10 – SHORT TERM PROVISIONS**

**Current**

Employee Entitlements	169,204	145,370
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**Non Current**

Employee Entitlements	15,794	12,915
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**Aggregate Employee Entitlements Liability**

Number of employees at year end	<u><u>6</u></u>	<u><u>7</u></u>
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**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% of each employee's base salary to a super fund.

Details of contributions during the year are as follows:

Employer contributions to the plans	<u><u>32,695</u></u>	<u><u>43,187</u></u>
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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 2021**

	2021	2020
	\$	\$
<b>NOTE 11 - FINANCIAL LIABILITIES</b>		
<b>Current</b>		
Lease liabilities - operating	33,434	32,054
Lease liabilities - other	61,320	81,165
Loans secured	79,100	40,000
	173,854	153,219
<b>Non Current</b>		
Lease liabilities - operating	721,358	754,601
Lease liabilities - other	-	48,981
Loans secured	89,319	184,754
	810,677	988,336

**NOTE 12 - KEY MANAGEMENT PERSONNEL COMPENSATION**

**Transactions with key management personnel**

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

**Other Related Party Transactions**

**Honorariums Paid**

President	1,666	1,000
Treasurer	1,666	1,000
	1,666	1,000

Apart from the details disclosed in this note, no director has entered into a material contract with the Club 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 Club'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:

**Financial assets**

Cash on Hand	65,000	65,000
Cash at Bank	130,678	53,673
Deposits	279,296	482,731
	474,974	601,404

**Financial liabilities**

Trade Creditors, Accrued Expenses & Loans	1,126,374	1,265,065
	1,126,374	1,265,065

**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 2021**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 14 - FAIR VALUE MEASUREMENTS</b>		
The Club measures financial assets at fair value on a recurring basis after their initial recognition. The company does not subsequently measure any liabilities at fair value on a recurring basis and has no assets or liabilities that are measured at fair value on a non-recurring basis.		
Financial assets at fair value	<u>474,974</u>	<u>601,404</u>
<b>NOTE 15 - CAPITAL AND LEASING COMMITMENTS</b>		
<b>Lease Commitments</b>		
Payable:		
Not later than 1 year	61,320	81,165
Later than 2 but not later than 5 years	-	48,981
	<u>61,320</u>	<u>130,146</u>
<b>Current</b>	61,320	81,165
<b>Non Current</b>	-	48,981
	<u>61,320</u>	<u>130,146</u>
<b>Capital Expenditure Commitments</b>		
Capital expenditure commitments contracted for : The Club did not enter into any capital works contracts prior to 31/12/21.		
Payable	-	-
Not later than one year	-	-

**NOTE 16 - EVENTS AFTER THE REPORTING PERIOD**

From 31st December 2021 to the date of this report, there has been no subsequent event that would have a material effect on the financial position of the company except as disclosed in these financial statements.

**NOTE 17 – CO-OPERATIVE DETAILS**

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**

**INDEPENDENT REVIEW REPORT  
TO THE MEMBERS OF ROSE BAY RSL CLUB CO-OP LIMITED**

**Report on the Financial Report**

We have reviewed the accompanying financial report of Rose Bay RSL Club Co-Op Limited, which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in members funds and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the entity.

**Directors' Responsibility for the Financial Report.**

The directors of Rose Bay RSL Club Co-Op Limited are responsible for the preparation and fair presentation of the financial report 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 and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the financial report is not presented fairly, in all material respects, in accordance with Australian Accounting Standards. As the auditor of Rose Bay RSL Club Co-Op Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the review of the annual financial report.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Independence**

In conducting our review, we have complied with the independence requirements of the Australian ethical pronouncements.

**Conclusion**

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the financial report of Rose Bay RSL Club Co-Op Limited does not present fairly, in all material respects, the financial position of the Club as at 31 December 2021, and of its financial performance and its cash flows for the year ended on that date, in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.



**Chartered Accountants**

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

Dated:

23/06/2022

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

**DISCLOSURE REQUIREMENTS UNDER S 41E 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 club situated at 1 Vickers Avenue Rose Bay NSW.

**Notes to Members**

1. Section 41E (5) of the Registered Clubs 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 Club that comprises:

- (a) the defined premises of the Club; Or
- (b) any facility provided by the Club for use of its members and their guests; Or
- (c) any other property declared by a resolution passed by a majority of the members present at a general meeting of ordinary members of the Club to be Core Property of the Club.

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 Club not to be Core Property.

4. The significance of the distinction between Core Property and Non-Core Property is that the Club cannot dispose of any Core Property unless;

- (a) the property has been valued by a registered valuer within the meaning of the Valuers Act 2003; and
- (b) the disposal has been approved at a general meeting of the ordinary members of the Club at which 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.