

ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978

FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2021

ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978

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ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978

DIRECTORS' REPORT

Your directors present their report on Engadine RSL & Citizens Club Limited (the company) for the financial year ended 31 December 2021.

Directors

The following directors have been in office for the entire financial year unless otherwise stated below and attended the recorded board meetings:

Name of Director	Club Position	Total number of Directors meetings attended	Total number of Directors meetings whilst in office
Garry Eggert	President	12	12
Mark Chapman	Vice President	12	12
Warren Singleton	Vice President	12	12
John Bromley (deceased 26/05/2021)	Vice President	4	5
Ivan McMillan	Director	11	12
Lois Hart	Director	12	12
Greg Bird (appointed 28/03/2021)	Director	9	9
Daniel Makovic (appointed 28/03/2021)	Director	8	9
Peter Gill (appointed 28/03/2021)	Director	9	9
Graham Walker (resigned 28/03/2021)	Director	3	3
Maureen Taylor (resigned 19/02/2021)	Director	0	2

Number of Directors meetings

12

Information on Directors

Name of Director	Qualifications & Experience
Garry Eggert	Current President. Director for 6 years. Club member for 25 years. Executive of CUFSS Limited. Now retired.
Mark Chapman	Current Vice President. Director for 13 years. Club member for 40 years. Resident of Engadine for over 40 years. Former Project Manager. Now retired.
Warren Singleton	Current Vice President. Director for 8 years. Club member for 23 years. Employed as a staff supervisor.
John Bromley	Former Vice President. Director for 15 years. Club member for 37 years. Former company director. Passed away 26/05/2021.
Ivan McMillan	Director for 21 years. Former business owner and manager. Now retired.
Lois Hart	Director for 5 years. Club member for 21 years. Former CPA. Now retired.
Greg Bird	Director for 1 year. Club member for 4 years. Senior Business Deveopment Manager.
Daniel Makovic	Director for 1 year. Club member for 6 years. Business owner and Real Estate Agent.
Peter Gill	Director for 1 year. Club member for 8 years. Qualified CPA.
Graham Walker	Former Director for 12 years. Club member for 43 years. Resident of Engadine for over 50 years. Now retired.
Maureen Taylor	Former Director for 2 years. Club member for 5 years. Employed as a Clinical Facilitator UTS.

ENGADINE RSL & CITIZENS CLUB LIMITED

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DIRECTORS' REPORT

Members' limited liability

In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$2.00 per member in the event of the winding up of the company during the time that he/she is a member or within one year thereafter. Based on the number of members at 31 December 2021, the total members' liability would be \$19,052.

Operating Results

The profit of the company for the financial year after providing for income tax amounted to \$16,462.

Objectives

The objectives for which the company is established are to provide for members and for members' guests a social and recreational club with all the usual facilities of a club, to look after the members in every possible way by providing service, comfort, entertainment, good food and a wide range of facilities to cater for every age group, and to give the community a significant proportion of the club's profits in support of various charities and community organisations.

Short Term

- Maintain membership numbers and increase the attendance on the premises.
- Improve the experience of members using the club facilities.
- Improve profitability and efficiency of club operations.
- Increase cash reserves of the company.
- Maintain level of community support funding.

Long Term

- Diversify income streams.
- Maintain financial stability of the company.
- Ensure facilities continue to cater for members needs.
- Increase efficiency in energy consumption.

Strategy for achieving the objectives

- Research on members' preferences for facilities and services.
- Review promotional activity conducted in the club.
- Evaluate operational procedures and staff training.
- Commence audit of energy usage in club premises.
- Investigate alternatives for producing income from non-traditional sources.

Principal Activities

The principal activities of the company during the course of the financial year consisted of the conduct and promotion of a licensed club and provision of recreational facilities to the members of the company.

There were no significant changes in the nature of the activities of the company during the year.

How these activities assist in achieving the objectives

The principal activities of the company contributed to achieving the objectives by providing a stable base of operations. This ensured the financial position of the company remained stable and generated funds to meet the demands of the company and maintain high levels of service to members and guests.

ENGADINE RSL & CITIZENS CLUB LIMITED
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DIRECTORS' REPORT

Performance measurement and key performance indicators


The financial performance of the company is measured against the budget and benchmark data from the club industry. Some of the criteria reported are:


- Earnings Before Interest Taxation Depreciation Amortisation Research and Donations (EBITDARD).
- Gross Profit Margins.
- Wage and Overhead Costs.
- Advertising, Entertainment, Marketing and Promotions (AEMP).

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

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

Director: 
Garry Eggert

Director: 
Mark Chapman

Dated this 28th day of February 2022

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
ENGADINE RSL & CITIZENS CLUB LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2021 there have been:

- (i) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Maher Partners Assurance Pty Limited



Jason Maher

Taren Point

Dated this 28th day of February 2022

ENGADINE RSL & CITIZENS CLUB LIMITED
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$	2020 \$
Revenue	2	4,044,069	4,804,760
Cost of sales		(431,266)	(444,616)
Depreciation and amortisation expenses	3	(711,209)	(750,189)
Directors' expenses		(11,105)	(4,933)
Employee benefits expenses		(1,275,587)	(1,393,832)
Finance costs	3	(49,675)	-
Other expenses		(1,537,661)	(1,648,680)
Profit before income tax	3	27,566	562,510
Income tax benefit / (expense)	4	(11,104)	1,648
Profit for the year		16,462	564,158
Total comprehensive income for the year		16,462	564,158
Total comprehensive income attributable to members of the entity		16,462	564,158

The accompanying notes form part of these financial statements.

ENGADINE RSL & CITIZENS CLUB LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	5	1,215,676	1,261,201
Trade and other receivables	6	-	3,000
Inventories	7	34,362	39,244
Other current assets	8	65,645	40,480
TOTAL CURRENT ASSETS		<u>1,315,683</u>	<u>1,343,925</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	9,026,789	7,130,117
Deferred tax assets	4	2,426	13,530
TOTAL NON-CURRENT ASSETS		<u>9,029,215</u>	<u>7,143,647</u>
TOTAL ASSETS		<u>10,344,898</u>	<u>8,487,572</u>
CURRENT LIABILITIES			
Trade and other payables	10	316,272	255,853
Financial liabilities	11	67,500	-
Provisions	12	218,708	190,445
Other current liabilities	13	8,590	8,590
TOTAL CURRENT LIABILITIES		<u>611,070</u>	<u>454,888</u>
NON-CURRENT LIABILITIES			
Financial liabilities	11	1,687,500	-
Provisions	12	6,996	9,814
TOTAL NON-CURRENT LIABILITIES		<u>1,694,496</u>	<u>9,814</u>
TOTAL LIABILITIES		<u>2,305,566</u>	<u>464,702</u>
NET ASSETS		<u>8,039,332</u>	<u>8,022,870</u>
MEMBERS' EQUITY			
Retained earnings	14	8,039,332	8,022,870
TOTAL MEMBERS' EQUITY		<u>8,039,332</u>	<u>8,022,870</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Retained Earnings \$	Total \$
Balance at 1 January 2020		7,458,712	7,458,712
Profit (Loss) attributable to members		564,158	564,158
Balance at 31 December 2020		<u>8,022,870</u>	<u>8,022,870</u>
Profit (Loss) attributable to members		16,462	16,462
Balance at 31 December 2021		<u><u>8,039,332</u></u>	<u><u>8,039,332</u></u>

The accompanying notes form part of these financial statements.

ENGADINE RSL & CITIZENS CLUB LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and others	4,026,498	4,804,424
Payments to suppliers and employees	(3,190,038)	(3,616,460)
Finance costs paid	(49,675)	-
Net cash provided by operating activities	17 <u>786,785</u>	<u>1,187,964</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	24,000	2,000
Payments for property, plant and equipment	(2,611,310)	(192,782)
Net cash used in investing activities	<u>(2,587,310)</u>	<u>(190,782)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	1,800,000	-
Repayment of borrowings	(45,000)	-
Net cash provided by financing activities	<u>1,755,000</u>	<u>-</u>
Net increase (decrease) in cash held	(45,525)	997,182
Cash at beginning of financial year	1,261,201	264,019
Cash at end of financial year	17 <u><u>1,215,676</u></u>	<u><u>1,261,201</u></u>

The accompanying notes form part of these financial statements.

ENGADINE RSL & CITIZENS CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Summary of Significant Accounting Policies

The financial statements cover Engadine RSL & Citizens Club Limited (the company) as an individual entity. Engadine RSL & Citizens Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.

Basis of Preparation

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

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

The financial statements are presented in Australian dollars, which is the company's functional currency, and have been rounded to the nearest dollar.

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 were authorised for issue on 28 February 2022 by the directors of the company.

Accounting Policies

Cash and Cash Equivalents

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

Trade and Other Receivables

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for doubtful debts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables is reviewed and an allowance for doubtful debts is recognised when there is objective evidence that individual receivables are not recoverable.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a weighted-average basis.

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

Property, Plant and Equipment

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

Property

Land is measured on the cost basis.

Buildings are measured on the cost basis less depreciation.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors 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.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant & Equipment	5.0 - 40.0%

The estimated useful life for each class of depreciable assets are:

Class of Fixed Asset	Useful Life
Buildings	40 Years
Plant & Equipment	2.5 -20 Years

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 or 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.

Leases

The company as a lessee

The company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In such instances, the company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements, except for short term leases, cancellable leases that if cancelled by the lessee the losses associated with the cancellation are borne by the lessor and low value leased assets. For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Measurement and presentation of lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

The following items are also included in the measurement of the lease liability:

Fixed lease payments offset by any lease incentives;

Variable lease payments, for lease liabilities which are tied to a floating index;

The amounts expected to be payable to the lessor under residual value guarantees;

The exercise price of purchase options (if it is reasonably certain that the option will be exercised); and

Payments of penalties for terminating leases, if the lease term reflects the lease terminating early.

The lease liability is separately disclosed on the statement of financial position. The liabilities which will be repaid within twelve months are recognised as current and the liabilities which will be repaid in excess of twelve months are recognised as non-current.

The lease liability is subsequently measured by reducing the balance to reflect the principal lease repayments made and increasing the carrying amount by the interest on the lease liability.

The company is required to remeasure the lease liability and make an adjustment to the right of use asset in the following instances:

The term of the lease has been modified or there has been a change in the company assessment of the purchase option being exercised, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; and

The lease payments are adjusted due to changes in the index or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate. However, if a change in lease payments is due to a change in a floating interest rate, a revised discount rate is used.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Measurement and presentation of right-of-use asset

The right-of-use assets recognised by the company comprise the initial measurement of the related lease liability, any lease payments made at or before the commencement of the contract, less any lease incentives received and any direct costs. Costs incurred by the company to dismantle the asset, restore the site or restore the asset are included in the cost of the right-of-use asset.

It is subsequently measured under the cost model with any accumulated depreciation and impairment losses applied against the right-of-use asset. If the cost of the right-of-use asset reflects that the company will exercise a purchase option, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the company depreciates the asset over the shorter period of either the useful life of the asset or the lease term. The depreciation starts at the commencement date of the lease and the carrying value of the asset is adjusted to reflect the accumulated depreciation balance.

Any remeasurement of the lease liability is also applied against the right-of-use asset value.

The right-of-use assets are presented within Property, Plant and Equipment in the statement of financial position.

Trade and Other Payables

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the company that remain unpaid.

Trade payables are recognised at their transaction price. The carrying values are considered to be a reasonable approximation of the fair values. Trade payables are obligations on the basis of normal credit terms.

Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Revenue and Other Income

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

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

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

Sale of goods

Revenue from the sale of goods comprises revenue earned from the provision of food, beverage and other goods to members and other patrons and is recognised at the point the goods are provided as this corresponds to the transfer of significant risks and rewards of ownership of the goods.

Membership subscriptions

Membership subscriptions paid in advance are initially recognised as a liability. Revenue is recognised on a straight line basis over the membership period, based on the membership category for which subscriptions have been received.

Sale of property, plant and equipment

The gain or loss on disposal of property, plant and equipment is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs) and is recognised as other income or other expenses at the date control of the asset passes to the buyer.

Other income

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

Borrowing Costs

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

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 or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Income Tax

The income tax expense for the year is the tax payable on the current year's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are recognised at the tax rates expected to apply when the assets are recovered or the liabilities are settled. Current and deferred tax is recognised as an expense in the income statement except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

Deferred tax assets are recognised to the extent that it is probable that sufficient taxable profits will be available, against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation, and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Comparatives

Comparative figures have been adjusted to conform to changes in presentation for the current financial year.

ENGADINE RSL & CITIZENS CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
2 Revenue		
Operating activities		
Departmental trading revenue	3,635,537	4,178,444
Other revenue	387,961	625,287
	4,023,498	4,803,731
Non-operating activities		
Profit on disposal of property, plant and equipment	20,571	1,029
	20,571	1,029
Total revenue	4,044,069	4,804,760
3 Profit		
Expenses		
Cost of sales	431,266	444,616
Finance Costs		
Bank Interest	49,675	-
	49,675	-
Depreciation of property, plant and equipment		
Depreciation - Bar	11,922	11,608
Depreciation - Poker Machines	335,223	368,077
Depreciation - Keno	98	98
Depreciation - TAB	667	739
Depreciation - Buildings	264,055	265,858
Depreciation - Plant & Equipment	99,244	103,809
	711,209	750,189

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
4 Income Tax Expense		
Reconciliation between income tax expense and prima facie tax on accounting profit		
Accounting profit / (loss)	27,566	562,510
Tax at 26% (2020: 27.5%)	7,167	154,690
Adjust for tax effect of:		
Income attributable to members	(2,502)	(30,626)
Mutuality	(23,309)	(117,330)
Tax losses utilised	-	(14,384)
Other items	6,701	7,650
Current year tax losses not recognised	11,943	-
Income tax expense / (benefit) on taxable income	-	-
Movement in deferred tax assets	11,104	(1,648)
Income tax expense / (benefit)	<u>11,104</u>	<u>(1,648)</u>
Deferred tax assets		
Beginning of year	13,530	11,882
Additions / (subtractions)	(11,104)	1,648
End of year	<u>2,426</u>	<u>13,530</u>
Analysis of deferred tax assets		
Deferred tax assets consist of the following temporary differences:		
Attributable to the tax treatment of provisions	2,426	13,530
	<u>2,426</u>	<u>13,530</u>

Deferred tax assets

Utilisation of deferred tax assets is dependent on the reversal of existing taxable temporary differences. Recognition of these deferred tax assets is supported by the eventual payment of employee entitlements.

Deferred tax assets not recognised

Deferred tax assets of \$13,861 relating to unused tax losses have not been recognised due to it not being considered probable that future taxable profit will be available against which the losses can be utilised.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
5 Cash and Cash Equivalents		
Current		
Cash on Hand	132,450	125,000
Cash at Bank	1,083,226	1,136,201
	<u>1,215,676</u>	<u>1,261,201</u>
6 Trade and Other Receivables		
Current		
Trade Debtors	-	3,000
	<u>-</u>	<u>3,000</u>
7 Inventories		
Current		
At cost:		
Stock on Hand - Bar	34,362	39,244
	<u>34,362</u>	<u>39,244</u>
8 Other Assets		
Current		
Prepayments	65,645	40,480
	<u>65,645</u>	<u>40,480</u>
9 Property, Plant and Equipment		
LAND AND BUILDINGS		
Land:		
Land - at Cost	2,326,260	451,702
	<u>2,326,260</u>	<u>451,702</u>
Buildings:		
Building and Improvements at cost	10,083,623	9,583,623
Less accumulated depreciation	(4,414,970)	(4,150,915)
Total Buildings	<u>5,668,653</u>	<u>5,432,708</u>
Total Land and Buildings	<u>7,994,913</u>	<u>5,884,410</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
PLANT AND EQUIPMENT		
Plant and Equipment:		
At cost	5,467,364	5,302,213
Accumulated depreciation	(4,435,488)	(4,056,506)
	1,031,876	1,245,707
Total Plant and Equipment	1,031,876	1,245,707
Total Property, Plant and Equipment	9,026,789	7,130,117

Movements in Carrying Amounts

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

	Land, Buildings & Improvements	Poker Machines	Plant & Equipment	Bar, Keno, TAB & M/V Plant	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2020	6,141,078	932,209	545,166	70,042	7,688,495
Additions	9,190	78,993	83,123	21,476	192,782
Disposals	-	(971)	-	-	(971)
Depreciation expense	(265,858)	(368,077)	(96,106)	(20,148)	(750,189)
Balance at 31 December 2020	5,884,410	642,154	532,183	71,370	7,130,117
Additions	2,374,558	180,215	46,931	9,606	2,611,310
Disposals	-	(3,429)	-	-	(3,429)
Depreciation expense	(264,055)	(335,223)	(91,541)	(20,390)	(711,209)
Carrying amount at 31 December 2021	7,994,913	483,717	487,573	60,586	9,026,789

Valuation

An independent valuation of the club premises comprising land and buildings at 1029 Old Princes Highway, Engadine was carried out as at 15 January 2018 by registered valuers, Preston Rowe Paterson NSW Pty Limited. The basis of the valuation was fair value in accordance with the accounting standard AASB 116 Property, Plant and Equipment. Land and Buildings were valued at \$8,445,000. The directors however have resolved to continue to recognise Property Plant & Equipment at cost in the financial statements which is an accepted treatment under the Australian Accounting Standard AASB 116. Consequently, no adjustment has been brought to account.

During 2021, the company purchased the adjoining property at 1025 Old Princes Highway, Engadine. Land and Buildings have been recognised at cost which is considered to be a reasonable representation of the fair value at balance date.

ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
<hr/>		
10 Trade and Other Payables		
Current		
Trade Creditors	19,784	51,988
Other Creditors	296,488	203,865
	<u>316,272</u>	<u>255,853</u>
Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables:		
- Total current	316,272	255,853
- Total non-current	-	-
	<u>316,272</u>	<u>255,853</u>
Less Other Payables	(296,488)	(203,865)
Financial liabilities as trade and other payables	<u>19,784</u>	<u>51,988</u>
11 Borrowings		
Current		
Loan - Bank	<u>67,500</u>	<u>-</u>
Non-Current		
Loan - Bank	<u>1,687,500</u>	<u>-</u>

Security

The following security is held by ANZ in respect of the business loan facility:

- First registered mortgage over 1025 Old Princes Highway, Engadine.
- General Security Agreement over all present and after-acquired property.
- Specific Security Agreement over all property described therein.

ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
12 Provisions		
Current		
Provision for Annual Leave	83,487	70,115
Provision for Long Service Leave	135,221	120,330
	<u>218,708</u>	<u>190,445</u>
Non-Current		
Provision for Long Service Leave	<u>6,996</u>	<u>9,814</u>
13 Other Liabilities		
Current		
Income in advance	<u>8,590</u>	<u>8,590</u>
14 Retained Earnings		
Retained earnings at the beginning of the financial year	8,022,870	7,458,712
Net profit attributable to members of the company	16,462	564,158
Retained earnings at the end of the financial year	<u>8,039,332</u>	<u>8,022,870</u>
15 Key Management Personnel		
<p>Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.</p> <p>The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows:</p>		
Key management personnel compensation	<u>305,613</u>	<u>323,557</u>
16 Related Party Transactions		

No director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
17 Cash Flow Information		
a) Reconciliation of Cash		
Cash and cash equivalents consist of cash on hand and balances with banks, and investments in money market instruments. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Cash on Hand	132,450	125,000
Cash at Bank	1,083,226	1,136,201
	1,215,676	1,261,201
b) Reconciliation of net cash provided by operating activities to profit after income tax		
Operating profit (loss) after income tax	16,462	564,158
Adjustments:		
(Gain) / Loss on sale of non-current assets	(20,571)	(1,029)
Depreciation	711,209	750,189
(Increase) Decrease in inventories	4,882	5,240
(Increase) Decrease in receivables	3,000	694
(Increase) Decrease in prepayments	(25,165)	1,941
(Increase) Decrease in deferred tax assets	11,104	(1,648)
Increase (Decrease) in trade creditors	(32,204)	(236,707)
Increase (Decrease) in other creditors	92,623	75,418
Increase (Decrease) in provisions	25,445	29,708
	786,785	1,187,964

ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

		2021 \$	2020 \$
18 Financial Risk Management			
The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.			
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:			
	Note	2021 \$	2020 \$
Financial Assets			
Cash and cash equivalents	5	1,215,676	1,261,201
Loans and receivables	6	-	3,000
Total Financial Assets		<u>1,215,676</u>	<u>1,264,201</u>
Financial Liabilities			
Trade and other payables	10	19,784	51,988
Bank loan secured	11	1,755,000	-
Total Financial Liabilities		<u>1,774,784</u>	<u>51,988</u>

The net fair value is equivalent to the carrying amount unless otherwise stated.

19 Company Details

The registered office of the company is:

1029-1031 Old Princes Highway, Engadine, NSW 2233

The principal place of business is:

1029-1031 Old Princes Highway, Engadine, NSW 2233

The principal activities of the company are that of a Registered Club.

ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$

20 Disclosure Requirements under Section 41E of the Registered Clubs Act

Core and Non-core Property

Section 41E of the Act defines core property as meaning any real property owned or occupied by a registered 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 resolution passed by a majority of the members present at a general meeting of the ordinary members of the club, to be core property of the club.

Non-core property is defined as meaning any real property owned or occupied by the club that is not core property.

The company's defined premises at 1029-1031 Old Princes Highway, Engadine, NSW 2233 is considered to be core property.

The property at 1025 Old Princes Highway, Engadine, NSW 2233 is considered to be non-core property.


ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 24, are in accordance with the Corporations Act 2001 including:
 - (a) giving a true and fair view of the company's financial position as at 31 December 2021 and of its performance as represented by the results of its operations and its cash flows for the year ended on that date; and
 - (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001; and
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director: 
Garry Eggert

Director: 
Mark Chapman

Dated this 28th day of February 2022

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978**

Auditor's Opinion

We have audited the accompanying financial report of Engadine RSL & Citizens Club Limited (the company), which comprises the statement of financial position as at 31 December 2021, and 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, and notes to the financial statements comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (a) giving a true and fair view of the company's financial position as at 31 December 2021 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

Basis for Auditor's Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors of the company are responsible for the other information. The other information comprises the information included in the directors' report, but does not include the financial report and our auditor's report thereon.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978**

Our opinion on the financial report does not cover the other information and 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.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and Australian Accounting Standards - Reduced Disclosure Requirements and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978**

We 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.

We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

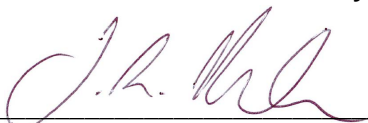
We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors.

We conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

We 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.

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.

Maher Partners Assurance Pty Limited



Jason Maher

Taren Point

Dated this 28th day of February 2022

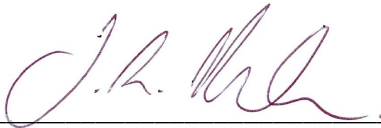
**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978**

**Auditor's Disclaimer to the Members
For the year ended 31 December 2021**

The additional data presented in the Profit & Loss Statement and Trading accounts is in accordance with the books and records of the Engadine RSL & Citizens Club Limited (our client) which have been subjected to the auditing procedures applied in the statutory audit of the company for the year ended 31 December 2021. It will be appreciated that the statutory audit did not cover all details of the financial data and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than our client) in respect of such data, including any errors or omissions therein however caused.

Name of Firm: Maher Partners Assurance Pty Limited
Chartered Accountants

Name of Principal:



Jason Maher

Address: Taren Point

Dated this 28th day of February 2022

ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
INCOME		
Bar Trading Account	261,933	324,512
Poker Machines Trading Account	1,293,597	1,591,142
KENO Trading Account	(2,382)	(672)
TAB Trading Account	(7,779)	(14,375)
	1,545,369	1,900,607
OTHER INCOME		
Bingo Income	40,275	45,048
Functions Income	40,445	29,256
Recoveries	2,520	6,455
Raffle Income	105,936	49,110
Commissions	35,512	43,853
Subscriptions Received	24,273	38,492
Other Income	4,000	5,573
Government Subsidies	135,000	407,500
Profit on Sale of Non-current Assets	20,571	1,029
	408,532	626,316
	1,953,901	2,526,923

The accompanying notes form part of these financial statements.

ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
EXPENSES		
Accountancy Fees	14,121	13,665
Advertising & Promotions	18,809	23,028
Auditor's Remuneration	15,000	15,000
Bank Charges	14,549	11,552
Bank Interest	49,675	-
Bingo Expenses	57,850	53,094
Cleaning & Laundry	24,535	28,132
Depreciation - Buildings	264,055	265,858
Depreciation - Plant & Equipment	99,244	103,809
Directors Expenses	11,105	4,933
Donations	31,881	50,373
Entertaining	51,244	71,379
Function Expenses	6,594	5,077
General Expenses	38,854	32,373
Insurance	90,554	85,401
Leasing Charges	6,645	6,302
Legal & Consulting Fees	2,880	8,121
Light & Power	82,599	94,465
Member Benefits	40,369	55,593
Payroll Tax	10,426	10,095
Postage & Telephone	23,190	17,833
Poker & Trivia Expenses	68,563	47,785
Printing & Stationery	8,687	10,538
Provision for Holiday Pay	13,372	19,368
Provision for Long Service Leave	12,074	10,338
Raffle & Members Draw Expenses	109,448	80,758
Rates & Taxes	24,652	30,141
Repairs & Maintenance	121,640	99,995
Security	22,540	32,421
Staff Meals & Amenities	2,361	2,588
Staff Training	3,630	2,113
Superannuation Contributions	116,325	112,045
Travelling Expenses (net)	(2,241)	(924)
Wages	437,792	534,570
Workers Compensation	33,313	26,594
	1,926,335	1,964,413
Profit from ordinary activities before income tax	27,566	562,510

The accompanying notes form part of these financial statements.

ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
BAR TRADING ACCOUNT		
Bar Sales	1,204,979	1,321,386
Less: Cost of Goods Sold		
Opening Stock	39,244	44,485
Purchases	426,384	439,375
Closing Stock	(34,362)	(39,244)
	431,266	444,616
Gross Profit from Trading	773,713	876,770
Less: Direct Costs		
Cleaning & Laundry	30,140	34,558
Depreciation - Bar	11,922	11,608
Members' Discounts	92,848	102,410
Repairs & Maintenance	19,458	9,596
Stocktaking Fees	4,300	4,200
Wages	353,112	389,886
	511,780	552,258
Net Profit from Trading	261,933	324,512

The accompanying notes form part of these financial statements.

ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
<hr/>		
POKER MACHINES TRADING ACCOUNT		
Net Poker Machine Takings	2,374,761	2,798,042
Less: Direct Costs		
Cleaning & Laundry	4,521	5,183
Depreciation - Poker Machines	335,223	368,077
Poker Machine Taxes	351,887	446,368
Poker Machine Prizes	63,051	72,841
Repairs & Maintenance	43,988	38,477
Unclaimed Jackpots	751	385
Poker Machine Monitoring Cost	28,731	37,221
Wages	253,012	238,348
	1,081,164	1,206,900
Net Profit from Trading	1,293,597	1,591,142

The accompanying notes form part of these financial statements.

ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
KENO TRADING ACCOUNT		
Keno Commissions Received	<u>32,451</u>	<u>37,219</u>
Less: Direct Costs		
Cleaning & Laundry	1,401	1,607
Depreciation - Keno	98	98
Repairs & Maintenance	6,137	6,918
Prizes & Promotions	5,297	4,268
Wages	<u>21,900</u>	<u>25,000</u>
	<u>34,833</u>	<u>37,891</u>
Net Loss from Trading	<u><u>(2,382)</u></u>	<u><u>(672)</u></u>

The accompanying notes form part of these financial statements.

ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
<hr/>		
TAB TRADING ACCOUNT		
TAB Commission Received	<u>23,346</u>	<u>21,797</u>
Less: Direct Costs		
Cleaning & Laundry	2,802	3,213
Depreciation - TAB	667	739
Repairs & Maintenance	5,756	7,220
Wages	<u>21,900</u>	<u>25,000</u>
	<u>31,125</u>	<u>36,172</u>
Net Loss from Trading	<u><u>(7,779)</u></u>	<u><u>(14,375)</u></u>

The accompanying notes form part of these financial statements.

ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978

DETAILED EXPENSE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
<u>Donations</u>		
Assistance Dogs of Australia	10,000	20,000
Engadine Eagles Netball	-	2,000
Engadine RSL Sub Branch	10,000	2,500
Heathcote Hawks	3,000	3,000
Koori Kids	400	400
Other Donations	7,981	19,473
St John Bosco Baseball & Softball Club	-	3,000
St John Bosco Cricket Club	500	-
	31,881	50,373
<u>General Expenses</u>		
General Expenses	621	1,450
Cash Shortages	(1,605)	(355)
First Aid	2,460	2,886
Floral Tributes	1,218	377
Mortality Fund	-	500
Staff and Directors' Uniforms	2,491	1,203
Subscriptions, Registrations & Licences	32,399	24,361
Trophies & Awards	880	1,778
Welfare	390	173
	38,854	32,373
<u>Director Expenses</u>		
Complimentary Food and Liquor	4,182	1,702
Travel Expenses	4,569	447
Meeting and Training Expenses	2,354	2,784
	11,105	4,933

The accompanying notes form part of these financial statements.