
DUNGOG MEMORIAL RSL CLUB LIMITED

ABN 00 106 712 5

Annual Financial Report 30 June 2022

Dungog Memorial RSL Club Limited

Directors' Report

The Directors present their report together with the financial statements of Dungog Memorial RSL Club Limited for the year ended 30 June 2022.

Directors

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

Name	Qualifications, Experience and Responsibilities
Geoff Hartcher (Chairman)	Retired, Director since 2014
Thomas Banister (Minutes Secretary)	Retired, Director since 2011
Jeffrey Studdert (Treasurer)	Retired, Director since 2017
Dennis Bourke	Retired, Director since 2019
Robert Curtin	Retired, Director since 2015
Robert Thoms	Pensioner, Appointed Nov 2021
Michael Dowling	Business Proprietor, Director since 2018
Alina Vogeles	Director since 2020
Michelle Finneran	Aged care worker, Appointed Nov 2021
Robert Campbell	Retired, Appointed Nov 2021

Dungog Memorial RSL Club Limited

Directors' Report

Directors' meetings

The number of meetings of the company's Board of Directors (the Board) and of each board meeting held during the year ended 30 June 2022, and the number of meetings attended by each director were:

Ordinary Meetings	Attended	Meetings Available
Geoff Hartcher	12	12
Thomas Banister	12	12
Jeff Studdert	12	12
Dennis Bourke	6	12
Robert Curtin	8	12
Michael Dowling	4	7
Janelle Lawrence	5	8
Robert Thoms	10	10
Robert Campbell	9	9

Special Meetings	Attended	Meetings Available
Geoff Hartcher	1	1
Thomas Banister	1	1
Jeff Studdert	1	1
Dennis Bourke	1	1
Robert Curtin	1	1
Michael Dowling	0	1
Janelle Lawrence	1	1
Robert Thoms	1	1
Mechelle Finneran	1	1
Robert Campbell	0	0

Dungog Memorial RSL Club Limited

Directors' Report

Principal activity

The principal activities of the club in the course of the year were the provision of social and recreational facilities for its members. During the year there was no significant change in the nature of those activities.

Operating result

The net profit (loss) before tax for the year amounted to \$53,236 compared with a profit of \$250,008 in previous year.

Additional Statutory Information

1. The Club is registered as a company limited by guarantee and has no share capital. Distributions to members are not permitted by the Memorandum of Association.
2. The results of the Club's operations for the financial year were in accordance with the directors' expectations and were not affected by any abnormal factors.
3. During the year there were no significant changes in the state of affairs of the Club other than those referred to in the accounts or notes thereto.
4. It is not expected that there will be any material change in the Club's operations subsequent to the year under review.
5. Since the end of the previous year, no director of the Club has received or become entitled to receive a benefit by reason of a contract made by the Club or a related corporation with the director or with a firm of which he is a member or with a company in which he has substantial financial interest, other than as stated herein.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial years.

Dungog Memorial RSL Club Limited

Directors' Report

Non Audit Services

The board of directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the board of directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Directors and Auditors Indemnification

The Club has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the club or a related body corporate:

- Indemnified or made any relevant agreement for indemnifying against a liability, including cost and expenses in successfully defending legal proceedings, or
- Paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings, with the exception of the following matter.

The Club has paid premiums to ensure each Director against liabilities for costs and expenses incurred by them defending any legal proceedings arising out of their conduct while acting in the capacity of the club, other than involving a willful breach of the duty in relation to the Club.

Dungog Memorial RSL Club Limited

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF Dungog Memorial RSL Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there has been:

- i. No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. No contraventions of any applicable code of professional conduct in relation to the audit.

Kelly Partners

Brad Crooks

Director

Dated

Dungog Memorial RSL Club Limited

INDEPENDENT AUDITOR'S REPORT

To the Directors of Dungog Memorial RSL Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Dungog Memorial RSL Club Limited (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Dugong Memorial RSL Club Limited, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Company's financial position as at 30 June 2022 and of its Financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' report, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

Kelly Partners

Brad Crooks

Director

Dated

Dungog Memorial RSL Club Limited

Directors' Declaration

The directors of the company declare that:

- (1) the financial statements and notes are in accordance with the Corporations Act 2001:
 - (a) Comply with Accounting Standards - Simplified Disclosures described in notes to the financial statements and the Corporations regulations; and
 - (b) give a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the year ended on that date in accordance with the accounting policies described in notes to the financial statements.
- (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:

Geoffrey Hartcher

Director

Jeffrey Studdert

Director

Dated

Dungog Memorial RSL Club Limited

Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue			
Bar		270,923	365,653
Poker Machines		1,581,135	2,145,858
TAB Trading		4,287	6,670
Keno Trading		39,535	49,867
Total Revenue	1	1,895,880	2,568,049
Cost Of Goods Sold			
Bar COGS		(290,019)	(352,461)
Poker Machines COGS		(1,165,665)	(1,605,517)
TAB COGS		(11,187)	(13,245)
Keno COGS		(1,832)	(1,949)
Total Cost of Goods Sold		(1,468,704)	(1,973,172)
Gross Profit		427,176	594,877
Expenses			
Employee benefits expense - Indirect	2	(112,160)	(112,412)
Depreciation and amortisation expenses		(77,555)	(79,404)
Other expenses		(361,062)	(379,252)
Total Expenses		(550,778)	(571,068)
Other Income		176,837	226,199
Profit (loss) before income tax		53,236	250,008
Income tax expense	3		
Profit (loss) for the year		53,236	250,008
Profit (loss) attributable to member of the company		53,236	250,008

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

Dungog Memorial RSL Club Limited

Statement of Financial Position as at 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,380,180	1,305,656
Trade and other receivables	5	22,971	21,905
Inventories	6	18,719	15,138
Prepaid expenses	7	62,410	-
TOTAL CURRENT ASSETS		1,484,280	1,342,698
NON-CURRENT ASSETS			
Property, plant and equipment	8	1,454,690	1,516,882
TOTAL NON-CURRENT ASSETS		1,454,690	1,516,882
TOTAL ASSETS		2,938,970	2,859,580
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	275,105	233,667
Borrowings	10	40,885	69,021
Provisions	11	77,632	65,495
Other Liabilities	12	601	1,200
TOTAL CURRENT LIABILITIES		394,222	369,384
NON-CURRENT LIABILITIES			
Provisions	11	9,738	8,423
TOTAL NON-CURRENT LIABILITIES		9,738	8,423
TOTAL LIABILITIES		403,961	377,807
NET ASSETS		2,535,010	2,481,773
EQUITY			
Retained earnings	14	2,535,010	2,481,773
TOTAL EQUITY		2,535,010	2,481,773

The Statement of Financial Position should be read in conjunction with the accompanying notes

Dungog Memorial RSL Club Limited

Statement of Changes in Equity for the Year Ended 30 June 2022

	Retained Earnings \$	Total \$
Balance at 1 July 2020	2,231,765	2,231,765
Comprehensive income		
Profit (loss) for the year	250,008	250,008
Total comprehensive income for the year attributable to the member of the company	<u>250,008</u>	<u>250,008</u>
Balance at 30 June 2021	<u>2,481,773</u>	<u>2,481,773</u>
Balance at 30 June 2021	2,481,773	2,481,773
Comprehensive income		
Profit (loss) for the year	<u>53,236</u>	<u>53,236</u>
Total comprehensive income for the year attributable to the member of the company	<u>2,535,010</u>	<u>2,535,010</u>

The Statement of Changes in Members Funds should be read in conjunction with the accompanying notes

Dungog Memorial RSL Club Limited

Statement of Cash Flows for the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		1,928,774	2,554,246
Payments to suppliers and employees		(1,742,159)	(2,013,881)
Interest Received		2,866	6,538
Net cash provided by operating activities	15	<u>189,481</u>	<u>546,903</u>
Cash flows from investing activities			
Payment for property, plant and equipment		(86,821)	(103,797)
Net cash provided by investing activities		<u>(86,821)</u>	<u>(103,797)</u>
Cash flows from financing activities			
Borrowings		(28,136)	(22,309)
Net cash provided by financing activities		<u>(28,136)</u>	<u>(22,309)</u>
Net increase in cash held		74,524	420,797
Cash and cash equivalents at beginning of financial year		1,305,656	884,860
Cash and cash equivalents at end of financial year	15	<u>1,380,180</u>	<u>1,305,656</u>

The Statement of Cash Flows should be read in conjunction with the accompanying notes

Dungog Memorial RSL Club Limited

Notes to the Financial Statements for the Year Ended 30 June 2022

About This Report

Dungog Memorial RSL Club Limited is a company limited by guarantee, incorporated and domiciled in Australia and is a non-for-profit entity for the purposes of preparing the financial statements.

The financial statements are for Dungog Memorial RSL Club Limited as a standalone legal entity.

The financial statements are general purposes financial statements which:

- This financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards - Simplified Disclosures, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.
- The prior year financial report was prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements. The transition from the previous financial reporting framework to Australian Accounting Standards – Simplified Disclosures has not affected the Company's reported financial position, financial performance and cash flows.
- This financial report complies with AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities as issued by the Australian Accounting Standards Board (AASB).
- The financial report has been prepared on an accruals basis and is based on historical costs, except for assets held for sale which have been measured at fair value. The financial report is presented in Australian Dollars.
- Where necessary comparative information has been restated to conform with changes in presentation in the current year.
- Adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Company and effective for reporting periods beginning on or after 1 July 2021; and
- Have been prepared on a going concern basis.

The notes to the financial statements

The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the company. Information is considered material and relevant if, for example:

- The amount in question is significant because of its size or nature;
- It is important for understanding the results of the company;
- It helps to explain the impact of significant changes in the company's business – for example, acquisitions and impairment write downs; and
- It relates to an aspect of the Company's operations that is important to its future performance.

New or amended Accounting Standards and Interpretations adopted

The Club has adopted all new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Dungog Memorial RSL Club Limited

Notes to the Financial Statements for the Year Ended 30 June 2022

Impact of adoption

The adoption of new Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Club as at 30 June 2022 or on opening retained earnings as at 1 July 2022.

Critical Accounting Judgements, Estimates and Assumptions

In the process of applying the company's accounting policies, management has made a number of judgements and applied estimates of future events.

Dungog Memorial RSL Club Limited

Notes to the Financial Statements for Year Ended 30 June 2022

1. Revenue and Other Income

	2022 \$	2021 \$
Revenue		
Sale of goods & services	1,895,880	2,568,049
Total Revenue	<u>1,895,880</u>	<u>2,568,049</u>

Revenue Recognition

Revenues are recognised at fair value of the consideration received or receivable net of the amount of goods and services tax (GST) payable to the taxation authority. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Sale of Goods

Revenue from the sale of goods comprises revenue earned from the provision of food, beverage and other goods and is recognised (net of rebates, returns, discounts and other allowances) on the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods.

Rendering of Services

Revenue from rendering services comprises revenue from gaming facilities together with other services to members and other patrons of the club and is recognised when the services are provided.

Dungog Memorial RSL Club Limited

Notes to the Financial Statements for Year Ended 30 June 2022

1. Revenue and Other Income (continued)

Interest Revenue

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

Other Income

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 cost) and is recognised as other income at the date control of the asset passes to the buyer.

Dungog Memorial RSL Club Limited

Notes to the Financial Statements for Year Ended 30 June 2022

2. Employee Benefits Expense

	2022	2021
	\$	\$
Wages and Superannuation	112,160	112,412
	<u>112,160</u>	<u>112,412</u>

3. Income Tax

The club is exempt from income tax under Division 50-45 of the Income Tax Assessment Act 1997.

4. Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash on Hand	77,246	59,240
Cash at Bank	280,870	271,406
Business Online Saver (CBA)	46,294	10,010
Term Deposit (TAB)	5,000	5,000
Term Deposit (Maitland Mutual)	970,770	960,000
	<u>1,380,180</u>	<u>1,305,656</u>

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Dungog Memorial RSL Club Limited

Notes to the Financial Statements for Year Ended 30 June 2022

5. Trade and Other Receivables

	2022	2021
	\$	\$
Trade & Other Receivables	22,971	21,905
	<u>22,971</u>	<u>21,905</u>

Recognition and Measurement

Trade and other receivables represent the receivables outstanding at the end of the reporting period for goods and services received provided by the company during the reporting period, which remain unpaid. The balance is recognised as a current asset.

6. Inventories

	2022	2021
	\$	\$
At cost:		
Stock On Hand	18,719	15,138
	<u>18,719</u>	<u>15,138</u>

Recognition and Measurement

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

Dungog Memorial RSL Club Limited

Notes to the Financial Statements for Year Ended 30 June 2022

7. Prepaid expenses

	2022	2021
	\$	\$
Payments in advance	62,410	-
	<u>62,410</u>	

8. Property, Plant and Equipment

	2022	2021
	\$	\$
Motor Vehicles	29,045	29,045
Less Accumulated Depreciation	(21,722)	(19,596)
	<u>7,323</u>	<u>9,449</u>
Buildings	1,860,092	1,855,143
Less Accumulated Depreciation	(916,348)	(878,220)
	<u>943,744</u>	<u>976,923</u>
Plant And Equipment	2,077,257	1,985,905
Accumulated Depreciation	(1,622,710)	(1,510,936)
	<u>454,547</u>	<u>474,969</u>
Furniture & Fittings	411,059	411,059
Less Accumulated Depreciation	(361,984)	(355,519)
	<u>49,075</u>	<u>55,540</u>
Total property, plant and equipment	<u><u>1,454,690</u></u>	<u><u>1,516,882</u></u>

Dungog Memorial RSL Club Limited

Notes to the Financial Statements for Year Ended 30 June 2022

Property, Plant and Equipment (continued)

	Motor Vehicles \$	Building \$	Plant & Equipment \$	Furniture & Fittings	Total \$
2021					
Additions/Adjustments	-	-	82,157	21,640	103,797
Depreciation Expense	(2,744)	(38,094)	(128,282)	(6,051)	(175,171)
Carrying amount at 30 June 2020	9,449	976,923	474,969	55,540	1,516,882
2022					
Carrying amount at 30 June 2021	9,449	976,923	474,969	55,540	1,516,882
Additions/Adjustments	-	4,949	91,372	-	96,321
Depreciation Expense	(2,126)	(38,128)	(111,774)	(6,465)	(158,493)
Carrying amount at 30 June 2022	7,323	943,725	454,567	49,075	1,454,690

Dungog Memorial RSL Club Limited

Notes to the Financial Statements for Year Ended 30 June 2022

Property, Plant and Equipment (continued)

Recognition and Measurement

All property, plant and equipment is stated at historical cost less depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Work in progress is stated at historical cost. No depreciation is applied until the asset is brought into use and is transferred from work in progress to the other plant, property and equipment categories

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is depreciated using the straight line/ diminishing value methods to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Buildings 40 years
Plant Fixtures & Fittings 5 to 40 years
Plant and equipment 5 to 40 years
Motor Vehicles 5 to 10 Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting periods.

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 carrying amount. These are included in the Statement of Profit or Loss and Other Comprehensive Income.

Freehold Property

Freehold land and buildings are shown at costs less where applicable accumulated depreciation and any impairment losses.

Dungog Memorial RSL Club Limited

Notes to the Financial Statements for Year Ended 30 June 2022

Property, Plant and Equipment (continued)

Significant judgements

(i) Impairment of Assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(ii) Estimation of Useful Lives of Assets

The company 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.

Dungog Memorial RSL Club Limited

Notes to the Financial Statements for Year Ended 30 June 2022

9. Trade and Other Payables

	2022	2021
	\$	\$
Good And Services Tax	24,662	28,193
Sundry Creditors	-	179
Trade Creditors	248,248	202,615
Withholding Taxes Payables	2,196	2,680
	<u>275,105</u>	<u>233,667</u>

Recognition and Measurement

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

10. Borrowings

CURRENT	2022	2021
	\$	\$
Loan - Ebet Gaming System	12,228	34,849
Loans- Ainsworth Poker Machines	-	-
Loan- Carlton United Breweries	-	-
Cash on Hand (Darts Club)	1,808	1,808
Bond Held - Caterer	-	-
Cricket Club Funds	4,968	4,968
Snooker Club Funds	3,320	3,320
Indoor Bowls Funds	1,644	1,644
Subscriptions in Advance	10,346	13,245
RSL - Sub Branch	6,572	9,188
	<u>40,885</u>	<u>69,021</u>

Dungog Memorial RSL Club Limited

Notes to the Financial Statements for Year Ended 30 June 2022

11. Provisions and Employment Benefits

	2022	2021
	\$	\$
CURRENT		
Provision For Holiday Pay & Long Service Leave	77,632	65,495
	<u>77,632</u>	<u>65,495</u>
	2022	2021
	\$	\$
NON CURRENT		
Provision For Long Service	9,738	8,423
	<u>9,738</u>	<u>8,423</u>
	<u>87,370</u>	<u>73,918</u>

Recognition and Measurement

Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave expected to be settled within 12 months of the reporting date are recognised in provisions with respect to employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long Service Leave

The provision for employee benefits relating to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided to reporting date. The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the market yields on national government bonds at reporting date which most closely match the terms of maturity with the expected timing of cash flows. The unwinding of the discount is treated as long service leave expense.

Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Dungog Memorial RSL Club Limited

Notes to the Financial Statements for Year Ended 30 June 2022

Provisions and Employment Benefits (continued)

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

12. Other Liabilities

	2022	2021
	\$	\$
Other Liabilities	601	1,200
	<u>601</u>	<u>1,200</u>

13. Financial Risk Management

	2022	2021
	\$	\$
Financial assets		
Cash on Hand and at Bank	409,410	345,656
Accounts receivable and other debtors	22,971	21,905
Investments in Government and Fixed interest securities	970,770	960,000
Total financial assets	<u>1,403,151</u>	<u>1,327,561</u>
Financial liabilities		
Accounts payable and other payables	275,105	233,667
Borrowings	40,885	69,021
Total financial liabilities	<u>315,990</u>	<u>302,688</u>

Dungog Memorial RSL Club Limited

Notes to the Financial Statements for Year Ended 30 June 2022

Financial Risk Management (continued)

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

14. Retained Earnings

	2022	2021
	\$	\$
Retained earnings at beginning of the financial year	2,481,774	2,231,766
Net profit (loss) attributable to the members of the company	53,236	250,008
Retained earnings at the end of the financial year	<u>2,535,010</u>	<u>2,481,774</u>

Dungog Memorial RSL Club Limited

Notes to the Financial Statements for Year Ended 30 June 2022

Financial Risk Management (continued)

Recognition and Measurement

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term and long-term investments, receivables and payables.

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are recognised immediately as expenses in profit or loss

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at cost using the effective interest rate method.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Dungog Memorial RSL Club Limited

Notes to the Financial Statements for Year Ended 30 June 2022

Financial Risk Management (continued)

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

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Dungog Memorial RSL Club Limited

Notes to the Financial Statements for Year Ended 30 June 2022

15. Cash Flow Information

Reconciliation of Cash

	2022	2021
	\$	\$
Cash on Hand	77,246	59,240
Cash at Bank	280,870	271,406
Business Online Saver (CBA)	46,294	10,010
Term Deposit (TAB)	5,000	5,000
Term Deposit (Maitland Mutual)	970,770	960,000
Total	<u>1,380,180</u>	<u>1,305,656</u>

Reconciliation of cash flow from operations with profit after income tax

	2022	2021
	\$	\$
Net Profit/(Loss) after Income Tax	53,236	250,008
Depreciation	158,493	175,171
Profit/Loss on sale of fixed assets	12,268	10,906
Changes in assets and liabilities:		
(Increase) decrease in trade and other receivables	(1,066)	(5,965)
(Increase) decrease in inventory	(3,581)	725
Increase (decrease) in payables	19,320	109,592
Increase (decrease) in prepayment	(62,641)	-
Increase (decrease) in provisions	13,452	6,466
Net cash provided by operating activities	<u>189,481</u>	<u>546,903</u>

Dungog Memorial RSL Club Limited

Notes to the Financial Statements for Year Ended 30 June 2022

16. Disclosure of Core and Non Core Club Property as Required by the Registered Clubs ACT (1976)

Pursuant to Section 41J(2) of the Registered Clubs Act for the financial year ended 30 June 2022

a) the following properties are core property of the Club;

The land on which the club premises, car park, and surrounds are situated.

b) the following properties are non-core property of the Club;

The land if any that is owned or occupied by the club that is not core property.

Notes to members

1. Section 41J(2) of the Registered Clubs Act requires the annual report to specify the core property and non-core property of the Club as at the end of the financial year which the report relates.

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 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 the majority of the votes cast support the approval; and

c) independent real estate agent or auctioneer.

5. The disposal provisions and what constitutes a disposal for the purposes of section 41J are to some extent modified by regulations made under the Registered Clubs Act and by Section 41J itself. For example the requirements in paragraph 4 above do not apply to;

a) core property that is being leased or licensed for a period not exceeding 10 years on terms that have been the subject of a valuation by a registered any sale is by way of public auction or open tender conducted by a valuer;

b) core property that is leased or licensed to a telecommunications provider for the purposes of a telecommunications tower.

Dungog Memorial RSL Club Limited

Notes to the Financial Statements for Year Ended 30 June 2022

17. Company Details

The Club is incorporated and domiciled in Australia as a company limited by guarantee.

The registered office of the company is 100 Lord St, Dungog NSW 2420

18. Events Subsequent to Reporting Date

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

19. Related Parties

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

20. Summary of Other Significant Accounting Policies

(a) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables in the Statement of Financial Position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office.

(b) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Dungog Memorial RSL Club Limited

Notes to the Financial Statements for Year Ended 30 June 2022

Summary of Other Significant Accounting Policies (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, With external sources of data.

(C) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current year.

COMPILATION REPORT

We have compiled the accompanying financial data for Dungog Memorial RSL Club Limited, which comprise the Profit and Loss statement as at 30 June 2022

The Responsibility of the Directors

The directors are solely responsible for the information contained in the general-purpose financial report appropriate to meet their needs and for the purpose that the financial statements were prepared

Our Responsibility

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the director provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed

Kelly Partners

Brad Crooks

Director

Dated

Dungog Memorial RSL Club Limited

PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
INCOME		
Interest Received	2,866	6,538
Other Revenue	97,130	48,818
Profit On Sale of Non-Current Assets	12,268	10,906
Commissions Received	11,395	69,201
Government Subsidies	10,000	65,056
Gross Profit from trading	427,176	594,877
Non Taxable Government Grants	43,178	26,128
	604,014	821,523
LESS EXPENDITURE		
Advertising	6,227	7,735
Auditors' Remuneration	12,170	11,300
Bank Charges	3,426	3,810
Cleaning	25,486	28,479
Computer Maintenance	1,477	1,284
Consultancy	2,500	-
Copier Rental	5,721	6,161
Depreciation	77,555	79,404
Donations	-	10,850
Electricity	39,869	31,550
Houise	20,717	20,799
Hospitality	-	11,607
Insurance	66,389	48,864
Interest	39	-
Mini Bus Expenses	3,010	4,185
Members Benefits	3,639	1,024
Postage, Printing and Stationery	1,158	2,869
Promotional Expenses	1,490	3,168
Rates And Taxes	8,611	8,306
Repairs And Maintenance	20,188	27,058
Restaurant And Bistro Expenses	5,942	15,647
Security Costs	2,146	560
Social And Entertainment	80,648	79,059
Staff Training And Welfare	490	93
Subscriptions And Sundry Licences	15,908	10,851
Admin Expenses	7,434	38,471
Superannuation Contributions - Employees	21,214	22,685
Telephone	1,982	1,992
Travelling Expenses	351	-
Wages	107,203	89,727
Waste Disposal	7,788	3,977
	550,778	571,515
Net Profit/(Loss)	53,236	250,008
Retained Earnings at the beginning of the financial year	2,481,774	2,231,766
Total Available for Appropriation	2,535,010	2,481,774
Retained Earnings at the End of Financial Year	2,535,010	2,481,774

These statements should be read in conjunction with attached compilation report

Dungog Memorial RSL Club Limited

DIVISIONAL PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 30 JUNE 2022

BAR	2022	2021
	\$	\$
Revenue		
Bar	270,923	365,653
Total Bar Revenue	<u>270,923</u>	<u>365,653</u>
Cost of Goods Sold		
Purchases	122,785	164,759
Depreciation	7,435	8,460
Freight	2,379	2,944
Licence Fees	573	556
Repairs & Maintenance	6,129	9,344
Retail System Support Fees	3,859	3,859
Sundry Expenses	4,081	3,811
Wages	142,778	158,728
Total Cost of Goods Sold	<u>290,019</u>	<u>352,461</u>
Gross Profit - Bar	<u>(19,094)</u>	<u>13,194</u>
POKER MACHINES		
	2022	2021
	\$	\$
Revenue		
Poker Machines	1,581,135	2,145,858
Total Poker Machine Revenue	<u>1,581,135</u>	<u>2,145,858</u>
Cost of Goods Sold		
Poker Machine Payouts	1,067,851	1,488,329
Data Monitoring Fee	11,168	10,785
Depreciation of Machines	73,503	87,307
Poker Machine Support/Licences	5,489	9,118
Repairs & Maintenance	7,654	9,978
Total Cost of Goods Sold	<u>1,165,665</u>	<u>1,605,517</u>
Gross Profit - Poker Machines	<u>415,470</u>	<u>540,340</u>

These statements should be read in conjunction with attached compilation report

Dungog Memorial RSL Club Limited

PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 30 JUNE 2022

KENO TRADING

	2022	2021
	\$	\$
Revenue		
Sales - Keno Comissions	39,535	49,867
Total Revenue	<u>39,535</u>	<u>49,867</u>
Cost of Goods Sold		
Keno Promotional Expenses	1,832	1,949
Total Cost of Goods Sold	<u>1,832</u>	<u>1,949</u>
Gross Profit - Keno Trading	<u>37,703</u>	<u>47,918</u>

TAB TRADING

	2022	2021
	\$	\$
Revenue		
Sales - TAB Comissions	4,287	6,670
Total Revenue	<u>4,287</u>	<u>6,670</u>
Cost of Goods Sold		
TAB Expenses	4,838	17,033
Sky Channel	6,349	(3,788)
Total Cost of Goods Sold	<u>11,187</u>	<u>13,245</u>
Gross Profit (Loss)-Tab Trading	<u>(6,900)</u>	<u>(6,574)</u>

These statements should be read in conjunction with attached compilation report