

Quirindi R.S.L. Sub Branch Club

ABN: 95 000 856 388

Financial Statements

For the Year Ended 30 June 2021

Quirindi R.S.L. Sub Branch Club

ABN: 95 000 856 388

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For the Year Ended 30 June 2021

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Directors' Report

For the Year Ended 30 June 2021

The directors present their report on Quirindi R.S.L. Sub Branch Club for the financial year ended 30 June 2021.

General information

Information on directors

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

Colin Stewart	President
Qualifications	Chartered Accountant
Experience	Company Director
Luke Scanlon	Vice President
Qualifications	Real Estate Business Principal
Experience	Business Owner
Tim Hoswell	Vice President
Qualifications	Builder
Experience	Business owner
Gordan Brownhill	Vice President, Appointed 25th October 2020
Qualifications	Partner of Merrilong Pastoral Company
Experience	Various Committee Positions
Paul Maher	Treasurer
Qualifications	Spare Parts Interpreter
Experience	Board Experience
James (Jim) Banister	Director - Resigned 25th October 2020
Qualifications	Business Owner/ Director
Experience	Board Experience
John Bridson	Director
Qualifications	Company Director
Experience	Business Owner/ Director
Raymond McGuckin	Director
Qualifications	Family Owned and Operated Business
Experience	Board Experience
Clint Brennan	Director- Resigned 25th October 2020
Qualifications	RSL Sub Branch Member

Directors' Report

For the Year Ended 30 June 2021

Information on directors

Robert Bradley	Director Appointed 25th October 2020
Qualifications	Retired
Experience	Previous Board Experience
Earl Kellahe	Director Appointed 25th October 2020, Resigned 26th May 2021
Experience	Previous Board Experience
Amanda Potter	Resigned 25th October 2020
Qualifications	Secretary
Experience	Board Experience

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

Principal activities

The principal activity of Quirindi R.S.L. Sub Branch Club during the financial year was the operation of a licensed Club.

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

Short term objectives

The Company's short term objectives are to:

- continue the poker machine replacement program; and
- ensure the Club's facilities support the long term objectives.

Long term objectives

The Company's long term objectives are to:

- develop a more diverse income stream to enable the Club to continue to provide benefits to its members;
- ensure the board and management have the resources and capability to deliver goals and there is a common agreement on the benefits to the club of these objectives.

Strategy for achieving the objectives

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

- Ensure the Board and Management have the resources and capability to deliver these goals and there is common agreement on the benefits to the Club of these objectives.

Directors' Report

For the Year Ended 30 June 2021

How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by:

- providing the resources to enable the objectives to be realised.

Performance measures

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

- Member satisfaction
- Gross profit margins
- Profitability
- Staffing levels
- Inventory levels

Members' guarantee

Quirindi R.S.L. Sub Branch Club is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 20 for members, subject to the provisions of the company's constitution.

At 30 June 2021 the collective liability of members was \$ 34,720 (2020: \$ 28,520).

Operating results

The profit of the Company after providing for income tax amounted to \$ 834,889 (2020: \$ 228,652).

Company secretary

The following persons held the position of Company secretary during and at the end of the financial year:

Tina Allan Club Secretary Manager is company secretary from 20th June 2019 to the date of signing these financial statements.

Directors' Report

For the Year Ended 30 June 2021

Meetings of directors

During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Special Boarding Meetings Attended	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Colin Stewart	12	12	5	5
Tim Hoswell	12	8	5	5
Paul Maher	12	11	5	5
Mandy Potter	3	2	2	-
Luke Scanlon	12	11	5	5
Jim Banister	3	1	2	2
Raymond McGuckin	12	5	5	5
John Bridson	12	8	5	5
Clint Brennan	3	2	2	2
Robert Bradley	8	8	-	-
Gordan Brownhill	9	8	3	3
Earl Kelaher	8	8	3	3

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2021 has been received and can be found on page 5 of the financial report.

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

Director 

Director 

Dated this 2nd day of November 2021

Quirindi R.S.L. Sub Branch Club

ABN: 95 000 856 388

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 To the Directors of Quirindi R.S.L. Sub Branch Club

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, there have been:

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



Margaret van Aanholt, Director

PKF NENW Audit & Assurance Pty Limited

Dated this 2nd day of November 2021

22-24 Bourke Street, Tamworth NSW

PKF NENW Audit & Assurance Pty Limited
ABN 39 082 276 506
Registered Auditor 306435
Liability limited by a scheme approved
approved under Professional
Standards Legislation

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**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2021**

		2021	2020
	Note	\$	\$
Revenue	4	3,749,696	3,324,448
Other income	4	16,125	4,206
Cost of goods sold		(471,213)	(442,449)
Employee benefits expense	5	(1,018,623)	(1,017,550)
Depreciation and amortisation expense		(270,549)	(283,775)
Other expenses		(1,147,206)	(1,324,761)
Finance costs	5	(23,339)	(31,468)
Profit before income tax		834,889	228,652
Income tax expense	6	-	-
Profit for the year		834,889	228,652
Other comprehensive income, net of income tax		(491)	(2,194)
Total comprehensive income for the year		834,398	226,458

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Statement of Financial Position

As At 30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	378,376	485,651
Trade and other receivables	8	22,573	148,437
Inventories	9	73,483	56,134
Other financial assets	10	82,524	82,990
Prepayments	11	48,540	37,123
TOTAL CURRENT ASSETS		605,496	810,335
NON-CURRENT ASSETS			
Trade and other receivables	8	5,000	5,000
Property, plant and equipment	12	5,557,799	5,680,324
Investment property	13	25,362	26,048
Intangible assets	14	108,500	108,500
TOTAL NON-CURRENT ASSETS		5,696,663	5,819,873
TOTAL ASSETS		6,302,159	6,630,208
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	108,487	222,073
Borrowings	16	302,385	79,085
Short-term provisions	17	31,258	37,420
Employee benefits	18	117,968	120,784
TOTAL CURRENT LIABILITIES		560,098	459,362
NON-CURRENT LIABILITIES			
Borrowings	16	-	1,264,087
Employee benefits	18	2,998	2,094
TOTAL NON-CURRENT LIABILITIES		2,998	1,266,181
TOTAL LIABILITIES		563,096	1,725,543
NET ASSETS		5,739,063	4,904,665
EQUITY			
Investment revaluation reserve		4,154	4,645
Retained earnings		5,734,909	4,900,020
TOTAL EQUITY		5,739,063	4,904,665

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 30 June 2021

2021

	Retained Earnings	Investment Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2020	4,900,020	4,645	4,904,665
Profit attributable to members of the entity	834,889	-	834,889
Revaluation increment (decrement)	-	(491)	(491)
Balance at 30 June 2021	5,734,909	4,154	5,739,063

2020

	Retained Earnings	Investment Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2019	4,671,368	6,839	4,678,207
Profit attributable to members of the entity	228,652	-	228,652
Revaluation increment (decrement)	-	(2,194)	(2,194)
Balance at 30 June 2020	4,900,020	4,645	4,904,665

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		3,958,033	3,282,111
Payments to suppliers and employees		(3,123,907)	(2,953,894)
Interest and dividends received		25,053	5,696
Finance costs		(23,339)	(31,468)
COVID subsidies		216,000	223,000
Rent received		13,909	15,014
Net cash provided by/(used in) operating activities	23	1,065,749	540,459
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant & equipment		16,500	6,870
Payment to acquire property, plant & equipment		(148,713)	(886,193)
Proceeds (to)/ from long term deposits		(25)	(95)
Net cash used by investing activities		(132,238)	(879,418)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings		565,000	565,000
Repayment of borrowings		(1,605,786)	(47,988)
Net cash used by financing activities		(1,040,786)	517,012
Net increase/(decrease) in cash and cash equivalents held		(107,275)	178,053
Cash and cash equivalents at beginning of year		485,651	307,598
Cash and cash equivalents at end of financial year	7	378,376	485,651

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2021

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

The functional and presentation currency of Quirindi R.S.L. Sub Branch Club is Australian dollars and rounded to the nearest dollar.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets at fair value through other comprehensive income.

2 Summary of Significant Accounting Policies

(a) Adoption of new and revised accounting standards

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards (AASB) that are mandatory for the current reporting period. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the company:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The company has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the company's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The company has adopted AASB 1060 from 1 July 2020. The standard provides a new Tier 2 reporting framework with simplified disclosures. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments.

Notes to the Financial Statements For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(b) Revenue and other income

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

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

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

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

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

Rental income

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

Notes to the Financial Statements For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

(c) Income Tax

Due to the principle of mutuality, the Club's liability for income tax relates only to net revenue from no-members and income from outside investments, less a proportion of expenditure attributable to both members and non-members.

(d) 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.

(e) Trade and other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. 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.

(g) 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.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a combination of reducing balance basis & prime cost over the assets useful life to the Company, commencing when the asset is ready for use.

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

Fixed asset class	Depreciation rate
Freehold Land & buildings - RSL (at cost)	2.5% prime cost
Improvements	5% - 20% D.V.
Poker Machines	18% - 40% D.V.
Plant & Equipment	10% - 30% D.V.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(g) Property, Plant and Equipment

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

(h) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(i) Employee benefits

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

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using the G100 discount rates specifically developed for the purpose of discounting employee benefits under AASB 119. Changes in the measurement of the liability are recognised in profit or loss.

(j) 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.

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.

(k) Goods and Services Tax (GST)

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

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or

Notes to the Financial Statements For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(k) Goods and Services Tax (GST)

payables in the statement of financial position.

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

3 Critical accounting judgements, estimates and assumptions

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

Estimation of useful lives of assets

The 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, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

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

Notes to the Financial Statements For the Year Ended 30 June 2021

4 Revenue and Other Income

Revenue from continuing operations

	2021 \$	2020 \$
Sales revenue		
Bar and catering sales	799,956	758,988
Poker machine takings	1,821,016	1,477,636
Member subscriptions	49,874	43,254
Golf club fees and charges	82,833	59,527
	<u>2,753,679</u>	<u>2,339,405</u>
Finance income		
Interest revenue	25	5,506
Dividend income	25,028	190
	<u>25,053</u>	<u>5,696</u>
Other revenue		
Motel revenue	596,255	627,928
Jobkeeper subsidy	178,500	160,500
Cash flow boost	37,500	62,500
Rental revenue from investment property	13,909	15,014
Commissions	97,356	70,127
GST rebate	17,180	17,180
Sundry income	31,262	26,098
	<u>971,962</u>	<u>979,347</u>
Total Revenue	<u><u>3,750,694</u></u>	<u><u>3,324,448</u></u>

	2021 \$	2020 \$
Other Income		
Gain on disposal of assets	15,125	4,206

Notes to the Financial Statements

For the Year Ended 30 June 2021

5 Expenses

The following expenses are included in the operating result for the year:

	2021	2020
	\$	\$
Finance Costs		
- Interest on bank overdrafts and loans	23,339	31,468
Total finance costs	23,339	31,468

The result for the year includes the following specific expenses:

	2021	2020
	\$	\$
Employee benefits expense		
Wages and salaries	886,207	792,753
Superannuation contributions	82,721	73,840
Payroll tax	(5,114)	6,704
Workers Compensation	23,228	24,629
Leave entitlements	10,738	25,082
Jobkeeper payments	19,779	90,550
Other expenses	1,064	3,992
Total Employee benefits expense	1,018,623	1,017,550
Other expenses include:		
Electricity and water	116,817	129,619
Poker Machine Duty Tax	234,550	203,957
Members Discounts, Amenities & Promotions	168,283	192,500
Repairs and maintenance	117,224	220,486
Insurance	74,388	62,785
Land rates	37,572	34,799
Advertising	15,304	25,173
Telephone expenses	26,239	30,926
Entertainment and catering	12,573	28,325
Motel Best Western Fees	41,695	36,588
Motel Linen Service	41,699	38,780

Notes to the Financial Statements For the Year Ended 30 June 2021

6 Income Tax Expense

Reconciliation of income tax to accounting profit:

	2021	2020
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 26% (2020: 27.5%)	217,071	62,879
Add:		
Tax effect of:		
- non-deductible expenses	70,342	77,854
	287,413	140,733
Less:		
Tax effect of:		
- deduction for decline in value of depreciating assets	(91,660)	(77,854)
- exempt income	(8,450)	(17,188)
- non-taxable member income arising from principle of mutuality	(187,303)	(42,483)
Losses(utilised)/carried forward	-	(3,208)
Income tax expense	-	-

Notes to the Financial Statements

For the Year Ended 30 June 2021

7 Cash and cash equivalents

	2021	2020
	\$	\$
Cash on hand	105,952	78,900
Cash at bank	272,424	406,751
	378,376	485,651

8 Trade and other receivables

	2021	2020
	\$	\$
CURRENT		
Trade receivables	22,573	13,523
	22,573	13,523
Jobkeeper subsidy and Cash flow boost receivable	-	115,000
GST Receivable / (payable)	-	18,115
Other receivables	-	1,799
Total current trade and other receivables	22,573	148,437

	2021	2020
	\$	\$
NON-CURRENT		
Deposits	5,000	5,000
Total non-current trade and other receivables	5,000	5,000

9 Inventories

	2021	2020
	\$	\$
CURRENT		
At cost:		
Stock on hand - bar	55,902	36,193
Non bar	17,581	19,941
	73,483	56,134

Notes to the Financial Statements

For the Year Ended 30 June 2021

10 Other financial assets

	2021	2020
	\$	\$
CURRENT		
Equity instruments at fair value through Other Comprehensive Income		
Shares in listed entities at fair value	4,154	4,645
Deposits at call		
Term deposits and online saver accounts	78,370	78,345
Total financial assets	82,524	82,990

11 Other non-financial assets

	2021	2020
	\$	\$
CURRENT		
Prepayments	48,540	37,123
Total Prepayments	48,540	37,123

**Notes to the Financial Statements
For the Year Ended 30 June 2021**

12 Property, plant and equipment

	2021	2020
	\$	\$
LAND AND BUILDINGS		
At cost	6,079,013	6,051,166
Accumulated depreciation	(1,752,989)	(1,622,233)
Total land and buildings	4,326,024	4,428,932
PLANT AND EQUIPMENT		
Capital works in progress		
At cost	432,212	432,212
Total capital works in progress	432,212	432,212
Plant and Equipment - RSL Club		
At cost	2,770,673	2,670,244
Accumulated depreciation	(2,106,351)	(1,995,697)
Total plant and equipment - RSL Club	664,322	674,547
Plant and Equipment - Golf Club		
At cost	164,552	154,652
Accumulated depreciation	(98,074)	(93,397)
Total Plant and Equipment - Golf Club	66,478	61,255
Plant and Equipment - Motel		
At cost	242,189	242,189
Accumulated depreciation	(173,425)	(158,811)
Total plant and equipment - Motel	68,764	83,378
Total plant and equipment	1,231,776	1,251,392
Total property, plant and equipment	5,557,800	5,680,324

Notes to the Financial Statements

For the Year Ended 30 June 2021

12 Property, plant and equipment

(a) Movements in Carrying Amounts

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

	Capital Works in Progress	Land & buildings	Plant & Equipment - RSL Club	Plant and Equipment - Golf Club	Plant and Equipment - Motel	Total
	\$	\$	\$	\$	\$	\$
Year ended 30 June 2021						
Balance at beginning of year	432,212	4,428,932	674,547	61,255	83,378	5,680,324
Additions	-	26,312	110,966	11,435	-	148,713
Disposals - WDV	-	-	(1,373)	-	-	(1,373)
Depreciation	-	(129,222)	(119,817)	(6,211)	(14,614)	(269,864)
Balance at the end of the year	432,212	4,326,022	664,323	66,479	68,764	5,557,800

Quirindi R.S.L. Sub Branch

The Directors have resolved that all land & Buildings owned by Quirindi R.S.L. Sub-Branch Club is classified as Core Property with the exception of 4 Abbott Street, Quirindi, which is classified as Non-Core Property for the purposes of Section 41J of the Registered Clubs Act.

Quirindi Golf Club

The buildings owned by Quirindi R.S.L. Sub Branch Club located at the Quirindi Golf Club are classified as Core Property.

13 Investment Property

	2021	2020
	\$	\$
House - Abbot Street Quirindi (at cost)	79,860	79,860
Depreciation	(54,498)	(53,812)
Balance at end of the period	25,362	26,048

Notes to the Financial Statements For the Year Ended 30 June 2021

14 Intangible Assets

	2021	2020
	\$	\$
Licenses		
Poker machine licences - at cost	108,500	108,500
Total Intangibles	108,500	108,500

15 Trade and other payables

	2021	2020
	\$	\$
Current		
Trade payables	56,016	37,959
Sundry payables and accrued expenses	44,052	184,114
GST payable	8,419	-
	108,487	222,073

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.

16 Borrowings

	2021	2020
	\$	\$
CURRENT		
Secured liabilities:		
Bank loan - current commitment	302,385	79,085
Total current borrowings	302,385	79,085
	2021	2020
	\$	\$
NON-CURRENT		
Secured liabilities:		
Bank loan - non current commitment	-	1,264,087
Total non-current borrowings	-	1,264,087

Notes to the Financial Statements

For the Year Ended 30 June 2021

16 Borrowings

16 Borrowings

(a) Defaults and breaches

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

(b) Mortgages, charges and securities

The Commonwealth Bank of Australia holds security as registered first mortgage over the club's land and buildings located at 88 Station Street & 132-134 Railway Street, Quirindi.

17 Provisions

	2021	2020
	\$	\$
CURRENT		
Provision for club points	24,167	21,647
Other provisions	7,091	15,773
	31,258	37,420

18 Employee Benefits

	2021	2020
	\$	\$
CURRENT		
Long service leave	26,225	33,688
Provision for annual leave	91,743	87,096
	117,968	120,784
NON-CURRENT		
Long service leave	2,998	2,094
	2,998	2,094

Notes to the Financial Statements For the Year Ended 30 June 2021

19 Commitments

	2021	2020
	\$	\$
Minimum rental payments under non-cancellable rental agreement:		
- not later than one year	2,579	2,890
- between one year and five years	11,761	2,500
	14,340	5,390

The company has a 60 month rental agreement with Fuji Xeron Finance for a photocopier and the minimum monthly payment is \$189.00. This rental agreement is due to cease in 2027 and has been determined as a low value lease. The company also has a lease for premises, expiring in September 2023.

20 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2021 (30 June 2020:Nil).

21 Key Management Personnel

The total remuneration paid to key management personnel of the Company during the year is \$ 182,330 (2020: \$ 163,996).

The above remuneration includes current and previous management personnel.

22 Related Parties

Transactions with 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.

Notes to the Financial Statements

For the Year Ended 30 June 2021

23 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2021	2020
	\$	\$
Profit for the year	834,889	228,652
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	270,549	283,775
- net (gain)/loss on disposal of property, plant and equipment	(15,125)	(4,206)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	125,863	(132,529)
- (increase)/decrease in prepayments	(11,417)	6,954
- (increase)/decrease in inventories	(17,349)	13,100
- increase/(decrease) in trade and other payables	(113,587)	111,449
- increase/(decrease) in provisions	(6,161)	25,081
- increase/(decrease) in employee benefits	(1,913)	8,183
Cashflows from operations	<u>1,065,749</u>	<u>540,459</u>

24 Events Occurring After the Reporting Date

The financial report was authorised for issue on 2nd November 2021 by the board of directors.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

25 Company Details

The registered office and the principal place of business of the company is:

Quirindi R.S.L. Sub Branch Club
86 - 88 Station Street
Quirindi NSW 2343

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 25, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards -Simplified Disclosures; and
 - b. give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director



Director



Dated this 2nd day of November 2021

Independent Auditor's Report to the members of Quirindi R.S.L. Sub Branch Club

Qualified Opinion

We have audited the financial report of Quirindi R.S.L. Sub Branch Club (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for Qualified Opinion

As it is common for organisations of this type, it is not practicable for the Club to maintain an effective system of internal control over some revenue activities such as raffles and bingo income until their initial entry in the account records. Accordingly, our audit in relation to the above was limited to the amounts recorded.

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

Independence

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.

PKF NENW Audit & Assurance Pty Limited
ABN 39 082 276 506
Registered Auditor 306435
Liability limited by a scheme approved
approved under Professional
Standards Legislation

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Quirindi R.S.L. Sub Branch Club
 ABN: 95 000 856 388

Independent Auditor's Report to the members of Quirindi R.S.L. Sub Branch Club

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards 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 the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control.

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.

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Quirindi R.S.L. Sub Branch Club
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Independent Auditor's Report to the members of Quirindi R.S.L. Sub Branch Club

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of management's 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 obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with management 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.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

PKF NENW Audit & Assurance Pty Ltd



Margaret van Aanholt

22-24 Bourke Street, Tamworth NSW

Dated this 4th day of November 2021

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