

**KINGSGROVE RSL CLUB LIMITED**  
**ABN 32 000 463 196**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2021**

**Liability limited by a scheme approved under**  
**Professional Standards Legislation**

**KINGSGROVE RSL CLUB LIMITED**

**ABN 32 000 463 196**

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**KINGSGROVE RSL CLUB LIMITED**  
**ABN 32 000 463 196**

**DIRECTORS' REPORT**

The directors present their report on the company for the financial year ended 31 December 2021.

**Information on Directors**

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

Mr Alan Barnes OAM  
Mr Tas Aronis  
Ms Heather Shepherd  
Mr Ryan Asplet  
Mr Michael Bougoukas  
Mr Bruce Geerin  
Mr Joseph Grima  
Mr Matt Ruru

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

**Directors' meetings**

The number of meetings of the Company's Board of Directors (the Board) and of each board committee meeting held during the year ended 31 December 2021, and the number of meetings attended by each director were:

	Monthly Meeting Attended (12 Total)	Special Meetings Attended (3 Total)
Mr Alan Barnes OAM	12	3
Mr Tas Aronis	12	3
Ms Heather Shepherd	11	3
Mr Ryan Asplet	11	3
Mr Michael Bougoukas	12	3
Mr Bruce Geerin	9	3
Mr Joseph Grima	11	3
Mr Matt Ruru	9	3

**Alan Barnes OAM J.P President**

Retired Administration/ Finance Manager, President of Kingsgrove RSL Sub Branch, and Member of Kingsgrove RSL Club for 39 years. Board Member for 24 years, Life Member of Kingsgrove RSL Club and Life Member of Kingsgrove RSL Sub Branch.

**Tas Aronis J.P Senior Vice President**

Location Manager for Guardian Funerals Hurstville, Member of Kingsgrove RSL for 12 years, Board Member for 8 years.

**Heather Shepherd Vice President**

Multidisciplinary Team Coordinator Cancer Services NSW Health, Member of Kingsgrove RSL for 22 years, Board Member for 13 years.

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**DIRECTORS' REPORT**

**Ryan Asplet Director**

Development Compliance Officer/ A3 accredited Building Surveyor and Cert IV Training and Assessment Officer, Member of Kingsgrove RSL for 9 years, Board Member for 5 years.

**Michael Bougoukas Director**

Motor mechanic, Business Proprietor, Member of Kingsgrove RSL for 23 years, Board Member for 4 years.

**Bruce Geerin Director**

Retired Postal Worker, Chairman of Kingsgrove RSL Club Community Group for 15 years, Member of Kingsgrove RSL for 51 years, Life Member of Kingsgrove RSL Club, Board Member for 19 years.

**Joseph Grima Director**

Retired Senior Technical Specialist with Qantas, Member of Kingsgrove RSL Club for 20 years, Board Member for 4 years.

**Matt Ruru Director**

Retired Truck Driver Toll Plastics Botany, Member of Kingsgrove RSL for 10 years, Board Member for 2 years.

**Company Secretary**

The following person held the position of company secretary at the end of the financial year:  
Ian Todd appointed company secretary on 18 June 1999.

<b>Membership</b>	<b>2021</b>	<b>2020</b>
Full Club Members	9,267	9,796
Life members	4	4
Associate Members	53	55
Total	9,324	9,855

**Members' Guarantee**

The company is limited by guarantee. If the company is wound up the constitution of the company states that each member is required to contribute \$2 each towards meeting any outstanding obligations of the company. This total amount contributed would be \$19,710.

**Objectives**

**Short Term**

- Provide hospitality and entertainment in a safe and friendly environment;
- Provide quality products and services to a high standard.

**Long Term**

- Serve our patrons whilst upholding the ideals of the RSL movement;
- Sponsor sporting grades and provide funding to schools, hospitals and the community in general;
- Improve profitability and efficiency of operations whilst maintaining financial stability of the Club.

**Strategy for Achieving the Objectives**

- Continually review the Club's financial management to align with Key Performance Indicators (KPI's). The KPI's are then checked to budgets and most importantly, the Strategic Management Plan. This ensures the Plan is reviewed constantly for completeness and accuracy.
- Continually review and when appropriate, upgrade the facilities of the Club whilst ensuring ongoing financial viability.

**KINGSGROVE RSL CLUB LTD**  
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**DIRECTORS' REPORT**

**Operating Results**

The profit of the company after providing for income tax amounted to \$52,746.

**Review of Operations**

A review of the operations of the company during the financial year and the results of those operations are as follows:

Once again, the Covid-19 pandemic caused a disruption in the trading of the club with ongoing restrictions and a forced closure of the Club for a period of 106 days (3 months and two weeks). During this period the club minimised our expenses but still had to continue to pay our loans and security expenses.

There was a significant reduction in total revenue of 23% to \$8,057,438 with poker machine receipts down 20%, bar sales down 15% and café sales down 7%. Other income was down by 54% (\$704,796) due to Government Subsidies received in previous year.

Positively the Club was able to retain our investments and reduce our loan liability and due to a revaluation of the Club property in Kingsgrove and Shoalhaven Heads the equity increased by 10% to \$25,610,188.

These results have contributed to the overall profit of the Club after tax to be \$52,746.

**Key Performance Measures**

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved. Measures used by the company for its performance: - Standard Club industry Key Performance Indicators including Gross Profit percentages, Wages percentages, EBIT and EBITDA etc.

**Significant Changes in the State of Affairs**

There have been no significant changes in the state of affairs of the Company during the year.

**Principal Activities**

The principal activities of the company during the financial year were that of a licenced club conducted for members and their guests.

No significant change in the nature of the company's activity occurred during the financial year.

**Events After the Reporting Date**

No matters or circumstances have arisen since the end of the financial year which 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.

**Environmental Issues**

The company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

**Dividends**

Under the Company's Constitution no dividend can be paid.

**KINGSGROVE RSL CLUB LTD**  
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**DIRECTORS' REPORT**

**Indemnification and Insurance of Officers and Auditors**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

**Auditors' Independence Declaration**

The lead auditors' independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 31 December 2021 has been received and can be found on page 5.

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

Director:   
Mr Alan Barnes OAM

Dated this 1<sup>st</sup> day of March 2022

**AUDITORS' INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF  
KINGSGROVE RSL CLUB LTD**

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

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

**Name of Firm:** Vidal O'Brien & Co  
Chartered Accountants

**Name of Partner:**

  
Geoffrey Smith

**Address:** Suite 702, 189 Kent St, Sydney NSW 2000

**Dated this 1st day of March 2022**

**KINGSGROVE RSL CLUB LIMITED**  
**ABN 32 000 463 196**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 \$	2020 \$
<b>Income</b>			
Revenue	3	7,987,877	10,414,870
Other income	3	69,561	38,152
		<u>8,057,438</u>	<u>10,453,022</u>
Changes in inventories of finished goods and work in progress		(13,041)	11,146
Raw materials and consumables used		(597,373)	(703,656)
Advertising expenses		(42,527)	(44,242)
Poker machine licence and taxes		(1,130,142)	(1,538,918)
Employee benefits expenses		(2,352,681)	(2,884,542)
Other expenses		(2,413,540)	(2,564,464)
Earnings before depreciation and finance cost		1,508,134	2,728,346
Depreciation and amortisation expenses		(1,228,223)	(1,281,438)
Finance expenses	4	(55,040)	(95,602)
<b>Profit before income tax</b>		224,871	1,351,306
Income tax expense	5	(172,125)	195,953
<b>Profit for the year</b>		52,746	1,547,259
<b>Total comprehensive income for the year</b>		<u>52,746</u>	<u>1,547,259</u>

The accompanying notes form part of these financial statements.



**KINGSGROVE RSL CLUB LIMITED**  
**ABN 32 000 463 196**

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

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	1,424,518	1,529,428
Trade and other receivables	7	123,658	148,148
Inventories	8	66,773	79,815
Other current assets	9	144,483	164,075
<b>TOTAL CURRENT ASSETS</b>		<u>1,759,432</u>	<u>1,921,466</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	26,213,645	23,731,610
Intangible assets	11	887,757	887,757
Tax assets	12	353,260	340,759
<b>TOTAL NON-CURRENT ASSETS</b>		<u>27,454,661</u>	<u>24,960,126</u>
<b>TOTAL ASSETS</b>		<u>29,214,093</u>	<u>26,881,592</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	774,607	1,538,309
Borrowings	14	491,761	509,389
Provisions	15	367,278	317,394
Tax liabilities	12	(40,000)	(46,779)
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,593,646</u>	<u>2,318,312</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	14	570,758	763,003
Provisions	15	319,584	292,329
Tax liabilities	12	1,119,917	189,095
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>2,010,259</u>	<u>1,244,427</u>
<b>TOTAL LIABILITIES</b>		<u>3,603,905</u>	<u>3,562,739</u>
<b>NET ASSETS (LIABILITIES)</b>		<u>25,610,188</u>	<u>23,318,853</u>
<b>EQUITY</b>			
Reserves		9,167,537	6,928,948
Retained earnings	17	16,442,651	16,389,905
<b>TOTAL EQUITY</b>		<u>25,610,188</u>	<u>23,318,853</u>

The accompanying notes form part of these financial statements.

**KINGSGROVE RSL CLUB LIMITED**  
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**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	Retained earnings \$	Total \$
<b>Balance at 1 January 2020</b>		14,842,646	14,842,646
Profit attributable to equity shareholders		1,547,259	1,547,259
<b>Balance at 31 December 2020</b>		16,389,905	16,389,905
Profit attributable to equity shareholders		52,746	52,746
<b>Balance at 31 December 2021</b>		16,442,651	16,442,651

The accompanying notes form part of these financial statements.

**KINGSGROVE RSL CLUB LIMITED**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

		2021 \$	2020 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		8,053,565	10,391,993
Payments to suppliers and employees		(7,241,530)	(7,170,067)
Interest received		3,873	13,691
Borrowing costs paid		(55,040)	(95,602)
<b>Net cash provided by operating activities</b>	<b>18</b>	<u>760,868</u>	<u>3,140,015</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		-	79,422
Payments for property, plant and equipment		(655,905)	(700,202)
<b>Net cash provided by (used in) investing activities</b>		<u>(655,905)</u>	<u>(620,780)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		464,688	330,440
Repayment of borrowings		(674,561)	(2,292,811)
<b>Net cash provided by (used in) financing activities</b>		<u>(209,873)</u>	<u>(1,962,371)</u>
Net increase/(decrease) in cash held		(104,910)	556,864
Cash at beginning of financial year		1,529,428	972,564
<b>Cash at end of financial year</b>	<b>6</b>	<u><u>1,424,518</u></u>	<u><u>1,529,428</u></u>

The accompanying notes form part of these financial statements.

**KINGSGROVE RSL CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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The financial reports cover Kingsgrove RSL Club Limited as an individual entity. Kingsgrove RSL Club Limited is a for profit proprietary company incorporated and domiciled in Australia.

The functional and presentation currency of Kingsgrove RSL Club Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 1<sup>st</sup> March 2022.

Comparatives are consistent with prior years, unless otherwise stated.

**1 Basis of Preparation**

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

These financial statements and associated notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial statements 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 significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

**2 Summary of Significant Accounting Policies**

**Income Tax**

Under present legislation, income derived by the company from members is not assessable to income tax. Income tax liabilities arise in respect of income derived from non-members and investments less certain allowable deductions. Commission income is now assessable in full and not subject to the member/non-member principle.

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of reporting year. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax assets and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

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Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where:

- (a) a legally enforceable right of set-off exists; and
- (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

### **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.

### **Property, Plant and Equipment**

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

#### **Land and buildings**

Freehold land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transactions), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

#### **Plant and equipment**

Plant and equipment are measured using the cost model.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**Depreciation**

Property, plant and equipment, is depreciated on a straight-line basis over the asset's useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

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

Fixed Asset Class	Depreciation Rate
Buildings	2.00%
Plant and Equipment	3.75 - 40.00%
Leased Plant and Equipment	10.00 - 30.00%

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.

**Leases**

New Accounting Standard AASB 16: Leases (effective application is 1 January 2019)  
AASB 16 Leases introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless underlying asset is of low value. The Company intends to apply the standard from 1 January 2019. The Company has applied the standard from 1 January 2019. The application of this standard has no material impact on any of the amounts recognized in the Financial Statements.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognized as a liability and amortised over the life of the lease term.

**Impairment of Non-Financial Assets**

At the end of each reporting period the company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**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 impairment. 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 are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of comprehensive income.

**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. Cash flows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cash flows. Changes in the measurement of the liability are recognised in profit or loss.

**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.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting year. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of other comprehensive income.

**Cash and Cash Equivalents**

Cash and cash equivalents are comprised of 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.

**KINGSGROVE RSL CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**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 is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

**Rental income**

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

**Interest revenue**

Interest revenue is recognised using the effective interest rate method.

**Rendering of services**

Revenue in relation to rendering of services is recognised depends on whether the outcome of the services can be measured reliably. If this is the case then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably measured then revenue is recognised to the extent of expenses recognised that are recoverable.

**Other income**

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

**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. Trade payables are obligations on the basis of normal credit terms.



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**Borrowing Costs**

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

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

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

**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 payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the balance sheet.

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

**Comparative Amounts**

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

The directors make estimates and judgments during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

*Key estimates - Impairment - general*

The company assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

**KINGSGROVE RSL CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 \$	2020 \$
<i>New and amended Accounting Standards</i>		
New and amended Accounting Standards and Interpretations Adopted The company has adopted all new or amended Accounting Standards and Interpretations issued by the Australia 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. There were no Accounting Standards and or Interpretations which will have or have had a material impact on the Club for the year.		
<b>3 Revenue and Other Income</b>		
<b>Revenue</b>		
Poker Machines-Net Clearances	6,013,281	7,552,812
Bar Sales	722,225	845,555
Cafe Sales	659,824	709,342
	<u>7,395,330</u>	<u>9,107,709</u>
Other revenue:		
Interest received	3,873	13,691
Other revenue	588,674	1,293,470
	<u>592,547</u>	<u>1,307,161</u>
Total revenue	<u>7,987,877</u>	<u>10,414,870</u>
<b>Other income</b>		
Gain/(Loss) on Sale of Fixed Assets	69,561	38,152
Total other income	<u>69,561</u>	<u>38,152</u>
<b>Interest revenue from:</b>		
Interest Received	<u>3,873</u>	<u>13,691</u>
Total interest revenue on financial assets not at fair value through profit or loss	<u>3,873</u>	<u>13,691</u>
<b>Other revenue from:</b>		
Membership Subscriptions	15,600	-
Commissions - Keno & TAB	79,143	92,456
Entertainment & Promotions	80,415	88,498
Rents Received	65,975	74,964
Functions Income	55,592	16,706
Other Income	66,559	119,846
Government Subsidies	225,390	901,000
Total other revenue	<u>588,674</u>	<u>1,293,470</u>

**KINGSGROVE RSL CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 \$	2020 \$
<b>4 Profit for the year</b>		
The result for the year was derived after charging / (crediting) the following items:		
Profit before income tax from continuing operations includes the following specific expenses:		
<b>Expenses</b>		
Cost of sales	597,373	703,656
<b>Finance Costs</b>		
Financial liabilities measured at amortised cost:		
Interest Expenses & Hire Purchase Charges	53,486	95,090
Borrowing Expenses	1,554	512
Total finance costs	<u>55,040</u>	<u>95,602</u>
Employee benefits expense: contributions to defined contribution superannuation fund	201,521	214,153
Depreciation of property, plant and equipment	1,228,223	1,281,438
<b>Revenue and Other Income</b>		
Gain/(Loss) on Sale of Fixed Assets	69,561	38,152
<b>5 Income Tax Expense</b>		
The components of tax expense comprise:		
Income Tax Expense	184,625	22,821
Future Income Tax Benefit	(12,500)	(202,206)
Overprovision of Income Tax Expense	-	(16,567)
	<u>172,125</u>	<u>(195,953)</u>
<b>6 Cash and Cash Equivalents</b>		
Cash in Hand	390,065	375,000
Cash at Bank	75,887	145,862
Interest Bearing Deposits	950,000	1,000,000
Deposits Paid	8,566	8,566
	<u>1,424,518</u>	<u>1,529,428</u>

**KINGSGROVE RSL CLUB LIMITED**  
**ABN 32 000 463 196**

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

	2021	2020
	\$	\$
<b>Reconciliation of cash</b>		
Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:		
Cash and cash equivalents	1,424,518	1,529,428
<b>7 Trade and Other Receivables</b>		
<b>Current</b>		
Other Debtors	123,658	148,148
The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.		
<b>8 Inventories</b>		
<b>Current</b>		
At cost:		
Stock on Hand – at Cost	66,773	79,815
<b>9 Other Assets</b>		
<b>Current</b>		
Prepayment	144,483	164,075

**KINGSGROVE RSL CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 \$	2020 \$
<b>10 Property, Plant and Equipment</b>		
<b>Land and Buildings</b>		
Land-at Valuation	12,045,000	10,740,000
Buildings at Valuation	10,916,998	9,225,214
Less accumulated depreciation	(1,122,150)	(891,513)
	9,794,848	8,337,701
<b>Total Land and Buildings</b>	21,839,848	19,073,701
Plant & Equipment - at Cost	1,220,532	1,495,143
Less accumulated depreciation	(631,330)	(884,826)
	589,202	610,317
Motor Vehicles - at Cost	88,136	67,541
Less accumulated depreciation	(14,731)	(32,279)
	73,405	35,262
Furniture & Fittings - at Cost	3,996,777	3,516,022
Less accumulated depreciation	(2,602,022)	(2,035,287)
	1,394,755	1,480,735
Poker Machine - at Cost	6,157,172	5,945,921
Less accumulated depreciation	(3,840,737)	(3,394,326)
	2,316,435	2,551,595
<b>Total Plant and Equipment</b>	4,373,797	4,657,909
<b>Total Property, Plant and Equipment</b>	26,213,645	23,731,610

**Asset Revaluation**

An independent valuation of the Company's land and buildings at Kingsgrove was carried out as at 9<sup>th</sup> June, 2021 on the basis of open market value for existing use resulting in a valuation of land and buildings of \$22,950,000.

**KINGSGROVE RSL CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**Movements in Carrying Amounts of Property, Plant and Equipment**

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

	Freehold Land	Buildings	Plant and Equipment	Leased Plant and Equipment	Total
	\$	\$	\$	\$	\$
Balance at 31 December 2019	10,740,000	8,543,849	2,262,744	2,732,096	24,278,689
Additions	-	20,176	237,080	442,948	700,202
Profit (loss) on sale of assets	-	-	-	38,152	38,152
Transfer to Intangible Assets	-	-	7,387	(11,377)	(3,990)
Depreciation expense	-	(230,326)	(400,892)	(650,220)	(1,281,438)
Balance at 31 December 2020	10,740,000	8,333,699	2,106,319	2,551,597	23,731,615
Additions	-	11,995	305,187	338,723	655,905
Profit (loss) on sale of assets	-	-	13,746	55,815	69,561
Revaluations	2,368,651	616,135	-	-	2,984,786
Depreciation expense	-	(230,636)	(367,890)	(629,697)	(1,228,223)
Balance at 31 December 2021	13,108,651	8,333,699	2,106,319	2,551,597	26,213,645

**KINGSGROVE RSL CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 \$	2020 \$
<b>11 Intangible Assets</b>		
Poker machine entitlements-at cost (gross carrying value)	887,757	887,757
<b>12 Tax</b>		
<b>Liabilities</b>		
<b>Current</b>		
Provision for Income Tax	(40,000)	(46,779)
<b>Non-current</b>		
Provision for Deferred Income Tax	1,119,917	189,095
<b>Assets</b>		
Future Income Tax Benefits	353,260	340,759
<b>13 Trade and Other Payables</b>		
<b>Current</b>		
Trade Creditors	349,192	956,537
Other Creditors	76,571	85,816
Accrued Expenses	192,124	311,548
Deposits Refundable	6,790	5,550
GST on supplies	89,930	123,858
Provision for Management Bonuses	60,000	55,000
	774,607	1,538,309

The carrying amounts are considered to be a reasonable approximation of fair value.

**KINGSGROVE RSL CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 \$	2020 \$
<b>14 Borrowings</b>		
<b>Current</b>		
Hire Purchase Instalments Within 12 months	491,761	509,389
<b>Non-Current</b>		
Hire Purchase Creditors	270,758	363,003
Bank Loan Secured	300,000	400,000
Total non-current borrowings	570,758	763,003
Total borrowings	1,062,519	1,272,392
<b>15 Provisions</b>		
Provision for Long Service Leave	319,584	292,329
Provision for Donations	50,454	45,431
Provision for Poker Machine GST Rebate	11,453	11,453
Provision for Annual Leave & Sick Leave	305,370	260,510
	367,278	317,394
<b>Total provisions</b>	686,862	609,723
<b>Analysis of Total Provisions</b>		
Current	367,278	317,394
Non-current	319,584	292,329
	686,862	609,723
<b>16 Reserves</b>		
<b>Asset Revaluation Reserve</b>		
The asset revaluation reserve records revaluations of non-current assets.		
<b>Capital Profit Reserve</b>		
The capital profit reserve records capital gains on disposal of non-current assets.		



**KINGSGROVE RSL CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 \$	2020 \$
<b>17 Retained Earnings</b>		
Retained earnings at the beginning of the financial year	16,389,905	14,842,646
Net profit attributable to members of the company	52,746	1,547,259
Retained earnings at the end of the financial year	<u>16,442,651</u>	<u>16,389,905</u>
<b>18 Cash Flow Information</b>		
<b>Reconciliation of Cash Flow from Operations with Profit after Income Tax</b>		
Profit after income tax	52,746	1,547,259
<b>Non-cash flows in profit</b>		
Net profit of disposal of property, plant and equipment	(69,561)	(45,157)
Depreciation and amortisation of property, plant and equipment	1,228,223	1,281,438
Overprovision for income tax	-	16,567
<b>Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries</b>		
(Increase)/decrease in Trade and other receivables	24,490	17,889
(Increase)/decrease in Other current assets	19,592	(11,585)
(Increase)/decrease in Inventories	13,042	(11,148)
(Increase)/decrease in Other non-current assets	-	-
(Decrease)/Increase in Trade and other payables	(584,623)	411,426
(Decrease)/Increase in Provisions	76,959	(66,674)
	<u>760,868</u>	<u>3,140,015</u>
<b>19 Related Parties</b>		
MSK Service Centre provided motor vehicle services for the year, of which Mr Michael Bougoukas is the Proprietor.	1,660	1,088
<b>20 Capital Commitments</b>		
There were no capital commitments entered into by the company as at 31 December, 2021, and up to date of this report.		

**KINGSGROVE RSL CLUB LIMITED**  
**ABN 32 000 463 196**

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

	2021	2020
	\$	\$
<b>21 Statutory Information</b>		
The registered office of the company is:		
Kingsgrove RSL Club Limited		
4 Brocklehurst Lane Kingsgrove NSW 2208		
The principal place of business is:		
4 Brocklehurst Lane Kingsgrove NSW 2208		
<b>22 Registered Clubs Act 1976</b>		
Section 41J(2): The Property of the Club consists of:		
<b>Core Property</b> 4-10 Brocklehurst Lane, Kingsgrove NSW: Club Premises and multi-level car park. 3-5 Aspinall Street, Shoalhaven Heads NSW: Holiday Units.		
<b>Non-Core Property</b> 7 Aspinall Street, Shoalhaven Heads NSW: Rental Property		

**KINGSGROVE RSL CLUB LIMITED**  
**ABN 32 000 463 196**

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

	2021	2020
	\$	\$

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**23 Key Management Personnel Details**

**(a) Directors**

The following persons were non-executive directors of the company during the financial year:

Mr Alan Barnes  
Ms Heather Shepherd  
Mr Tas Aronis  
Mr Ryan Asplet  
Mr Michael Bougoukas  
Mr Bruce Geerin  
Mr Joseph Grima  
Mr Matt Ruru

**(b) Other Key Management Personnel**

The following persons also had had authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly during the financial year:

Name	Position
Ian Todd	Chief Executive Officer
Debbie Harris	Chief Operating Officer

**(c) Key Management Personnel Compensation**

Benefits and payments made to the directors and other Key management personnel	\$328,255	\$316,357
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**(d) Transaction with related parties**

From time to time, directors of the company, or their director-related entities, may purchase goods from the company. These purchases are on the same terms and conditions as those entered into by other company employees or members.

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.

**KINGSGROVE RSL CLUB LTD**  
**ABN 32 000 463 196**

**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes for the year ended 31 December 2021 are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
  - (b) give a true and fair view of the financial position and performance 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:



Mr Alan Barnes

**Dated this 1st day of March 2022**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF KINGSGROVE RSL CLUB LTD  
ABN 32 000 463 196**

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

**Opinion**

We have audited the financial report of Kingsgrove RSL Club Ltd, (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 and statement of cash flows and cash flow statement 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, 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 31 December 2021 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 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 Auditors' Responsibilities for the Audit of the Financial Report section of our report. We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (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 auditors' report.

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

**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 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.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF KINGSGROVE RSL CLUB LTD  
ABN 32 000 463 196**

**Auditors' Responsibility 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditors' 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 auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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.

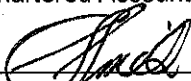
We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF KINGSGROVE RSL CLUB LTD  
ABN 32 000 463 196**

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Name of Firm:** Vidal O'Brien & Co  
Chartered Accountants

**Name of Partner:**

  
\_\_\_\_\_  
Geoffrey Smith

**Address:** Suite 702, 189 Kent St, Sydney NSW 2000

**Dated this 1st day of March 2022**