

**INGLEBURN RSL SUB-BRANCH
CLUB LIMITED
ABN: 38 163 551 086**

**SUMMARY OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2021**

**HARLEY, RUSSELL & DAY
Chartered Accountants**

**Suite 16,
2 Catherine Street,
ROCKDALE NSW 2216**

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INGLEBURN RSL SUB-BRANCH CLUB LIMITED
ABN: 38 163 551 086

SUMMARY OF FINANCIAL STATEMENTS
31ST DECEMBER 2021

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INGLEBURN RSL SUB-BRANCH CLUB LIMITED

ABN: 38 163 551 086

FOR THE YEAR ENDED 31ST DECEMBER 2021

SUMMARY OF FINANCIAL STATEMENTS

The financial statements and other specific disclosures have been derived from Ingleburn RSL Sub-Branch Club Limited full financial report for the financial year ended 31st December 2021. Other information in the Summary of Financial Statements is consistent with the Company's full financial report.

The Summary of Financial Statements does not, and cannot be expected to, provide full an understanding of financial performance, financial position and financing and investing activities of the Company as the full financial report.

A copy of the Company's 2021 Annual Financial Report, including the independent audit report, is available to all members, and will be sent to members without charge upon application to the Company's Secretary Manager.

INGLEBURN RSL SUB-BRANCH CLUB LIMITED

ABN: 38 163 551 086

DIRECTORS' REPORT

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

DIRECTORS

The names of directors in office at any time during or since the end of the year are:

	Terry Goldsworthy		Ray O'Neill		Vince Vincent
	Warren Verity		Geoff Grimes	***	Polly Grundy
*	Ray Williams	**	Tony Rankin	+++	Tony Rogers
+	Aileen Christie	++	Jason Elsmore		
*	<i>Ceased 23 June 2021</i>	**	<i>Ceased 22 April 2021</i>	***	<i>Ceased 17 February 2021</i>
+	<i>Appointed 17 February 2021</i>	++	<i>Appointed 22 April 2021</i>	+++	<i>Appointed 23 June 2021</i>

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 continuing activity of the Company consisted of: Maintaining a Licensed Club for Members.

MEMBERS

The number of Members of the Club registered in the Register of Members at the date of this report is 20,936 (2020 – 19,433), an increase of 7.7%:

	<u>2021</u>	<u>2020</u>
Honorary Life Members	12	9
Service Members	196	241
Social Members	20,633	19,183
Affiliated Members	-	-
Bowls (Female)	31	-
Men (Male)	64	-
	<u>20,936</u>	<u>19,433</u>

OPERATING RESULTS

The Net Profit from Trading for the year amounted to \$2,333,245 (2020 Profit \$5,788,198) with no Provision for Income Tax (2020 - \$20,463), after charging depreciation of \$2,008,536 (2020-\$1,765,060), and receiving NSW JobSaver \$398,896 (2020 – NIL), and the NSW Small Business Grant \$13,636 (2020 – Nil). No other grants were received. However, in the 2020 year a Cash Flow Boost of \$100,000 and Jobkeeper subsidy was received of \$1,069,500.

REVIEW OF OPERATIONS

Movements in significant items of Revenue are as follows: -

	<u>2021</u>	<u>2020</u>	<u>Increase/ (Decrease)</u>	<u>%</u>
Poker Machine Net Profit	6,882,977	9,504,519	(2,621,542)	(27.54)
Bar Net Profit	205,250	192,079	13,171	6.857
Overhead Operating Expenses	5,408,899	5,724,561	(315,662)	(5.83)

NEW ACCOUNTING STANDARDS IMPLEMENTED

The Company has implemented three new Accounting Standards that are applicable for the current reporting period. AASB 15: *Revenue from Contracts with Customers*, AASB 1058: *Income of Not-for-Profit Entities* and AASB 16: *Leases* have been applied using the cumulative effect method; that is, by recognising the cumulative effect of initially applying AASB 15, AASB 1058 and AASB 16 as an adjustment to the opening balance of the Company at 1st January 2020. Therefore, the comparative information has not been restated and continues to be reported under AASB 118: *Revenue*, AASB 117: *Leases* and AASB 1004: *Contributions*. Also, to note in relation to AASB 16 is that the Company applied the temporary relief for peppercorn leases under AASB 2018-8 to measure the right of use assets at cost on initial recognition.

INGLEBURN RSL SUB-BRANCH CLUB LIMITED

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DIRECTORS' REPORT

INFORMATION ON DIRECTORS

<u>Name</u>	<u>Position</u>	<u>Meetings Called</u>	<u>Meetings Attended</u>	<u>Special Responsibilities</u>	<u>Experience</u>
Terry Goldsworthy	Chairman	14	12	Chairman of the Board Chairman of Sub-Committees	Director 19 years
Ray Williams	Vice President	7	6	Ceased 23 rd June 2021	Director 26 years
Warren Verity	Vice President	14	13	Building & Future Planning Committee Disciplinary Committee Remuneration Committee Publicity Officer and Presentations	Director 15 years Previous exp. 9 years
Vince Vincent	Treasurer	14	13	Disciplinary Committee Audit Risk & Compliance Welfare Officer Clubs NSW Delegate (Alternate Delegate)	Director 15 years
Geoff Grimes	Director	14	12	Building & Future Planning Committee Audit Risk & Compliance Membership Committee Clubs NSW Delegate	Director 8 years
Ray O'Neill	Director	14	14	Membership Committee Disciplinary Committee Sports Council Delegate Youth Club Committee RSL Association Delegate	Director 16 years
Polly Grundy	Director	2	1	Ceased 17 th February 2021	Director 3 years
Tony Rankin	Director	4	4	Ceased 22 nd April 2021	Director 3 years Previous exp. 22 years
Aileen Christie	Director	12	12	Appointed 17 th February 2021	Director 1 year
Jason Elsmore	Director	10	9	Appointed 22 nd April 2021	Director 1 year
Tony Rogers	Director	7	7	Appointed 23 rd June 2021	Director 1 year

INGLEBURN RSL SUB-BRANCH CLUB LIMITED

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DIRECTORS' REPORT

OBJECTIVES

Short term

Providing for members and guests a social sporting club with all the usual facilities of a club and to assist generally in the promotion and propagation sports and a meeting place for community groups. Other short term objectives are as follows:

1. To continue to provide a high level of members facilities.
2. To remain proactive in dealing with continual changing industry legislation.
3. To increase Club membership.
4. To increase the Club's awareness in the local community.
5. To remain profitable and reduce financial debt.

Long Term

To sustain our position as the leading provider of a social entertainment in Ingleburn to ensure our long term support of sports and the wider community in that region and beyond. Other long term objectives are as follows:

1. To maximise and further endorse the Club's Anzac traditions.
2. To further upgrade members facilities in line with market trends and member expectations.
3. To remain profitable with the vision to diversify the Club's assets into other streams of income where viable.
4. To continue to provide the members and the community with a social hub for their entertainment.

The entity strategies for achieving the short and long term objectives were:

Principal strategies include:

1. Maximising advantage from our property holdings,
2. Maximising advantage from marketing opportunities,
3. Offering a broad range of entertainment offerings,
4. Maintaining high customer service standards,
5. Continuing to market the Club to the broader community,
6. Ensuring the Club's human resources remain trained and committed to the Club's objectives,
7. Increasing membership to ensure the Club's income levels continue to grow, and
8. Reviewing the continual performance of the Club to ensure objectives are being met and that the existing objectives remain valid.

How these activities assist in achieving the objectives

The activities carried out by the Club during the year assisted in achieving the Club's objectives by ensuring that the Club's income streams remained consistent. The completion of upgrading facilities also added to the Club's ability to achieve its ongoing objectives.

Performance measurement and key performance indicator

Performance is assessed regularly against relevant internal and industry benchmarks enabling assessment as to whether strategic initiatives have been effective in achieving company short and long term objectives. To further ensure the Club's objectives are being met the following performance measures are in place:

Key Performance Indicators are monitored in areas such as beverage, gaming, and human resource costs. Industry comparisons are also reviewed on a regular basis. Overall business EBITDA is reviewed on a regular basis. Club objectives are also reviewed to measure as to whether they are being met within reasonable timeframes.

INGLEBURN RSL SUB-BRANCH CLUB LIMITED

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DIRECTORS' REPORT

Members Limited Liability

In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$2.00 per member in the event of the winding up of the company during the time that he/she is a member or within one year thereafter.

AUDITOR'S INDEPENDENT DECLARATION

The Auditor's Independent Declaration for the year ended 31st December 2021 has been received and can be found on page 5 of this report.

Dated at Ingleburn this 23rd day of February 2022

In accordance with a resolution of the Directors



.....
TERRY GOLDSWORTHY
President



.....
WARREN VERITY
Vice President

INGLEBURN RSL SUB-BRANCH CLUB LIMITED

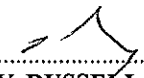
ABN: 38 163 551 086

AUDITOR'S INDEPENDENT DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF INGLEBURN RSL SUB-BRANCH CLUB LIMITED

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

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

DATED AT SYDNEY
THIS 21ST DAY OF
FEBRUARY 2022


.....
HARLEY, RUSSELL & DAY
Chartered Accountants

GARRY WILLIAM DAY
Registered Company Auditor

INGLEBURN RSL SUB-BRANCH CLUB LIMITED

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DISCUSSION & ANALYSIS AS AT 31ST DECEMBER 2021

STATEMENT OF COMPREHENSIVE INCOME

The entity's total revenue has decreased by \$3,295,956 (16.05 %).

Whilst total expenses have decreased by \$133,595 (1.03 %) resulting in a net profit after tax of \$2,333,245 (income tax: Nil) and (income tax: 2020 - \$20,463).

Individual items that have impacted the 2021 result include:

Net clearances from poker machines decreased by \$2,834,163.

Gaming duty decreased by \$999,029.

Interest received decreased to \$14,972 from \$155,757.

Bar sales have increased by \$111,375.

Cost of sales has decreased by \$131,337.

Bar Gross Profit percentage decreased from 59% to 58%.

Entertainment, marketing, and promotional costs decreased by \$74,422

Employee benefit expenses increased by \$42,244.

Depreciation and amortisation expenses increased by \$243,296.

Donation expenses increased by \$11,980.

STATEMENT OF FINANCIAL POSITION

The entity's net assets have increased by \$2,333,245 or 7.76% since the previous year consisting of a profit for the year.

This increase/decrease in net assets for the year is mainly attributed to:

Increase in property, plant and equipment of \$1,908,356, the total amount after adding back the difference for depreciation of 2,008,356.

Increase in receivables of \$55,618.

Decrease in cash and cash equivalents by \$731,400.

Increase in inventories by \$19,092.

Increase in provisions of \$122,017.

Decrease in membership subscriptions in advance of \$7,384.

Decrease in the bank borrowing from the IMB by repayments of part of the loan by \$4,305,762.

CASH FLOW STATEMENT

Operating activities provided net cash flow of \$5,111,897, a decrease of \$1,701,992 or 24.97% when compared to the previous year.

Net cash used in investing activities of \$1,908,356 related to payments for property, plant and equipment including capital works, and renovations.

As a result of these cash flows, the net cash held during the year decreased by \$731,400 compared to the previous year's increase of \$5,718,254.

Cash at year end was \$12,661,218 compared to \$13,392,618 in the prior year.

INGLEBURN RSL SUB-BRANCH CLUB LIMITED

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PROFIT & LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2021

	2021	2020
	\$	\$
REVENUE FROM CONTINUING OPERATIONS		
Sale of Goods	1,670,272	1,558,897
Rendering of services	14,126,603	16,877,621
Other Revenue	1,431,561	2,087,874
Total Revenue from continuing operations	<u>17,228,436</u>	<u>20,524,392</u>
OPERATIONAL COSTS		
Cost of Sales	(701,896)	(833,233)
Donations	(35,688)	(23,708)
Directors' expenses	(63,692)	(62,548)
Employment Benefits expenses	(4,188,388)	(4,146,144)
Entertainment, marketing and promotional costs	(611,363)	(685,785)
Poker machine licences and taxes	(2,940,234)	(3,939,263)
Occupancy expenses	(233,191)	(381,483)
Other expenses from ordinary activities	(3,972,491)	(2,808,374)
Total Expenses	<u>(12,746,943)</u>	<u>(12,880,538)</u>
Earnings before borrowing costs, tax, depreciation and amortisation	4,481,493	7,643,854
Depreciation and amortisation	(2,008,356)	(1,765,060)
Borrowing Costs	(139,892)	(70,142)
Profit before Income Tax	<u>2,333,245</u>	<u>5,808,652</u>
Income tax expense relating to ordinary activities	-	(20,463)
Profit from continuing operations after Income Tax	<u>2,333,245</u>	<u>5,788,189</u>
Other Comprehensive Losses	-	-
Total Comprehensive Profit/(Loss) for the year	<u><u>2,333,245</u></u>	<u><u>5,788,189</u></u>

INGLEBURN RSL SUB-BRANCH CLUB LIMITED

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STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2021

	2021	2020
	\$	\$
CURRENT ASSETS		
Cash assets	12,661,218	13,392,618
Receivables	553,264	497,646
Inventories	89,762	70,670
TOTAL CURRENT ASSETS	<u>13,304,244</u>	<u>13,960,934</u>
NON-CURRENT ASSETS		
Property, Plant & Equipment	19,481,053	19,600,053
Right-of-Use Assets	-	370,839
Intangibles	987,663	987,663
Investment Property	5,094,711	5,094,711
TOTAL NON-CURRENT ASSETS	<u>25,563,427</u>	<u>26,053,266</u>
TOTAL ASSETS	<u>38,867,671</u>	<u>40,014,200</u>
CURRENT LIABILITIES		
Payables	2,620,060	1,916,089
Provisions	1,191,670	1,099,820
Borrowing	610,440	610,440
TOTAL CURRENT LIABILITIES	<u>4,422,170</u>	<u>3,626,349</u>
NON-CURRENT LIABILITIES		
Provisions	259,893	229,726
Borrowing	1,817,032	6,122,794
TOTAL NON-CURRENT LIABILITIES	<u>2,076,925</u>	<u>6,352,520</u>
TOTAL LIABILITIES	<u>6,499,095</u>	<u>9,978,869</u>
NET ASSETS	<u>32,368,576</u>	<u>30,035,331</u>
EQUITY		
Asset Revaluation Reserve	406,060	406,060
Retained Profits	31,962,516	29,629,271
TOTAL EQUITY	<u>32,368,576</u>	<u>30,035,331</u>

INGLEBURN RSL SUB-BRANCH CLUB LIMITED

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2021

	2021	2020
	\$	\$
NOTE 1.		
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	18,932,816	22,218,767
Payments to suppliers and employees	(13,835,509)	(15,560,653)
Interest received	14,572	155,757
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>5,111,879</u>	<u>6,813,871</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for Property, Plant and Equipment	(1,908,356)	(7,458,012)
Write-off/(Acquiring) Right-of-Use Asset	370,839	(370,839)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	<u>(1,537,517)</u>	<u>(7,828,851)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings - Bank	-	7,000,000
Bank Loan Repayments	(4,305,762)	(266,766)
NET CASH FLOW FROM FINANCING ACTIVITIES	<u>(4,305,762)</u>	<u>6,733,234</u>
Net increase/(decrease) in cash held	(731,400)	5,718,254
Cash at the beginning of the financial year	<u>13,392,618</u>	<u>7,674,364</u>
Cash at the end of the financial year	<u><u>12,661,218</u></u>	<u><u>13,392,618</u></u>

INGLEBURN RSL SUB-BRANCH CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS SUMMARY OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021

2 Summary of Significant Accounting Policies

The Summary Financial Statements have been prepared from the audited financial report of Ingleburn RSL Sub-Branch Club Limited for the year ended 31st December 2021. The audited report for the year ended 31st December 2021 is available at request from Ingleburn RSL Sub-branch Club Limited.

The financial statements, specific disclosures and other information included in the summary of financial statements are derived from and are consistent with the full financial report of Ingleburn RSL Sub-Branch Club Limited. The summary of financial statements cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of Ingleburn RSL Sub-Branch Club as a full financial report.

The financial report of Ingleburn RSL Sub-Branch Club Limited complies with all Australian equivalents and the new-Reduced Disclosure Requirements. The presentation currency used in this summary of financial statements is in Australian dollars.

It has been prepared on the basis of historic costs and except where stated, does not take into account changing money values or fair values of non-current assets.

The accounting policies have been consistently applied by the Company and are consistent with those in the previous year.

Where necessary, comparative information has been reclassified to achieve consistency with current year amounts and other disclosures.

A full description of the accounting policies adopted by the Company may be found in the Company's full financial report.

3 Statement of Changes in Equity

	<u>2021</u>	<u>2020</u>
Asset revaluation reserve	406,060	406,060
Retained Profit at beginning of year	29,629,271	18,551,132
Net Profit recognised in the Income Statement	2,333,245	5,788,189
Equity acquired on amalgamation	-	5,289,950
Total Equity at end of year	<u>\$32,368,576</u>	<u>\$30,035,331</u>

4 Results

The Net Profit/(Loss) for the year was derived from:

Ingleburn RSL Sub-Branch - Profit	2,615,989	5,827,060
Ingleburn Bowling Club - Loss	<u>(282,744)</u>	<u>(38,871)</u>
Total Net Profit	<u>\$2,333,245</u>	<u>\$5,788,189</u>

5 Security Deposits

The Company and Bowling Club have security deposits totalling \$10,000 with the Totalizator Agency Board.

INGLEBURN RSL SUB-BRANCH CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS SUMMARY OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021

6 Mutuality Principle

Ingleburn RSL Sub-Branch Club Limited calculates its income in accordance with the mutuality principle which excludes from income any amounts of subscriptions and contributions from members, and payments received from members for particular services provided by the club or association, e.g., poker machines, bar, and dining room service in the case of social clubs. The Commissioner of Taxation accepts this method of calculating income as appropriate for recognised clubs and associations such as Ingleburn RSL Sub-Branch Club Limited.

Following the recent Full Federal Court decision in *Coleambally Irrigation Mutual Co-operative Limited v FCT* [2004] FCAFC 250, Tax Laws Amendment (2005 Measures No. 6) Bill 2005 was tabled in Parliament on 7 December 2005 to amend the Income Tax Assessment Act 1997 to restore the long-standing benefits of the mutuality principle to those non-profit organisations affected by the *Coleambally* decision.

These amendments will ensure social clubs continue not to be taxed on receipts from contributions and payments received from members.

7 Core Assets

The properties at 70 Chester Road and 8 Memorial Avenue Ingleburn are considered core properties.

INGLEBURN RSL SUB-BRANCH CLUB LIMITED

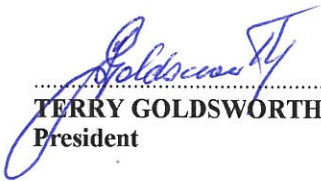
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DIRECTORS' DECLARATION

The Directors of Ingleburn RSL Sub-Branch Club Limited declare that the summary of financial statements of the entity for the financial year ended 31st December 2021 as set out on pages 1 to 11:

- (a) Complies with Accounting policies disclosed in Note 2.
- (b) Is an extract from the full financial report for the year ended 31st December 2021 and has been derived from and is consistent with the full financial report.

**This declaration is made in accordance with a resolution of the Board of Directors.
Dated at Ingleburn this 23rd day of February 2022.**



.....
TERRY GOLDSWORTHY
President



.....
WARREN VERITY
Vice President

INGLEBURN RSL SUB-BRANCH CLUB LIMITED

ABN: 38 163 551 086

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INGLEBURN RSL SUB-BRANCH CLUB LIMITED

Report on the Summary Financial Statements

The accompanying summary financial statements of Ingleburn RSL Sub-Branch Club Limited, which comprise of financial position as at 31st December 2021, the summary statements of comprehensive income, summary statement of changes in equity and summary statement of cash flows for the year then ended and related notes, are derived from the audited financial report. We expressed an unmodified audit opinion on that financial report in our report dated 28th February 2022.

The summary financial statements do not contain all the disclosures required by Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations. Reading the summary financial statements, therefore, is not substitute for reading the audited financial report of Ingleburn RSL Sub-Branch Club Limited.

Directors' Responsibility for the Financial Report

The Directors are responsible for the preparation of a summary of the audited financial report on the basis described in Note 2.

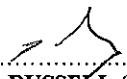
Auditor's Responsibility

Our responsibility to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 Engagements to Report on Summary Financial Statements.

Opinion

In our opinion, the summary financial statements for Ingleburn RSL Sub-Branch Club Limited derived from the audited financial report of Ingleburn RSL Sub-Branch Club Limited for the year ended 31st December 2021 are consistent, in all material respects, with that audited financial report, on the basis described in Note 1.

DATED AT SYDNEY
THIS 28TH DAY OF
FEBRUARY 2022


HARLEY, RUSSELL & DAY
Chartered Accountants

GARRY WILLIAM DAY
Registered Company Auditor