



ANNUAL REPORT 2020-21



GLENORIE R.S.L. CLUB LIMITED

ABN 29 001 068 631

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2021**

GLENORIE R.S.L. CLUB LIMITED

ABN 29 001 068 631

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GLENORIE R.S.L. CLUB LIMITED
ABN 29 001 068 631

DIRECTORS' REPORT

Your directors present their report on Glenorie R.S.L. Club Limited ("the Club") for the financial year ended 30 June 2021.

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

Name

Robert Hodges - President	Christopher Hammond
Robert Clarke - Vice President	Dennis Webb
Andrew Pellizzer	Callum Hoogesteger
Graham Osborne	

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 the Club during the financial year was that of a Registered Club.

The Club's short-term objectives are to:

- (i). provide to members & guests well maintained club facilities and excellent customer service;
- (ii). encourage new membership;
- (iii). support the local community; and
- (iv). remain financially viable in order to achieve the above objectives.

The Club's long-term objectives are to:

- (i). remain financially viable and strive for continuous growth in order to continue to maintain and improve club facilities;
- (ii). maintain membership that fosters the Club's strategic plan; and
- (iii). continue to offer support to the local community.

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

- (i). The board endeavors to retain quality management who are committed to keep the Club moving forward by taking a positive, practical role in the operation and future direction of our Club.
- (ii). The Club aims to provide a high standard of service to members, by attracting and maintaining quality staff, which in turn will support the success of the Club in the long term.
- (iii). The board maintains comprehensive controls over the Club's finances in order to remain viable.
- (iv). The board is committed to meet consistent standards of governance, best practice and provide clear expectations of professional accountabilities and responsibilities to all members.

Information on Directors

Director name	Qualifications	Experience, special responsibilities
Robert Hodges	Company Director	Club President/Director 38 years
Robert Clarke	Company Director/Sub-Branch Member	Club Vice President/ Director 14 years
Andrew Pellizzer	Company Director/Sub-Branch Member	Club Director 31 years
Graham Osborne	Retired	Club Director 19 years
Christopher Hammond	Diploma of Law & Criminal Law	Club Director – Appointed 29/9/15
Dennis Webb	Company Director	Club Director – Appointed 31/11/17
Callum Hoogesteger	Company Director, BSc CompSci. Computing	Club Director – Appointed 16/8/18

DIRECTORS' REPORT

Meeting of Directors

During the financial year, 12 meetings of directors were held. Attendances by each director were as follow:

Name	Directors' Meetings	
	Number eligible to attend	Number attended
Robert Hodges	12	12
Robert Clarke	12	10
Andrew Pellizzer	12	12
Graham Osborne	12	10
Chris Hammond	12	10
Dennis Webb	12	11
Callum Hoogesteger	12	10

Members' Guarantee

The Club is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the Club is wound up, the constitution states that each member is required to contribute a maximum of \$5 each towards meeting any outstanding obligations of the Club. At 30 June 2021, the total amount that members of the Club are liable to contribute if the Club is wound up is \$30,265 (2020: \$16,850).

Events Subsequent to Reporting date

Due to renewed spread of COVID-19 the Club closed temporarily from 27th June 2021. At the date of this report the Club had not yet been permitted to reopen and have not received indication when they will be allowed to do so.

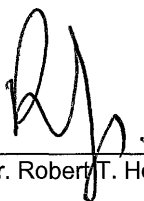
The Board together with management are addressing the financial impact of the closure by monitoring cashflows on a regular basis, accessing government financial support for which the entity is eligible, reducing wages expense and deferring other expense payments where possible. Review of the Club's financial position and processes in place as a result of previous closures demonstrate a reasonable capacity to absorb the potential revenue impact of such event and continue as a going concern.

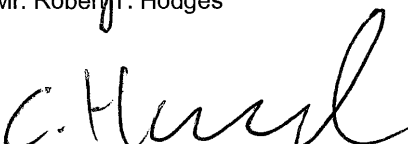
The Board considers this to be a non-adjusting event after reporting date.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 3.

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

Director 
Mr. Robert T. Hodges

Director 
Mr Chris Hammond

Dated this 6th of October 2021

GLENORIE R.S.L. CLUB LIMITED
ABN 29 001 068 631

**AUDITORS' INDEPENDENCE DECLARATION
UNDER S307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF GLENORIE R.S.L. CLUB LIMITED**

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.



Glenn J. McEwen

Dated this 6th day of October 2021

Suite 3, Level 1, 16-20 Edgeworth David Avenue Hornsby NSW 2077

GLENORIE R.S.L. CLUB LIMITED
ABN 29 001 068 631

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Revenue			
Revenue	2	2,814,405.78	2,113,121.01
Other income	2	-	-
		2,814,405.78	2,113,121.01
Expenses			
Changes in inventories		(1,267.54)	15,988.76
Raw materials and consumables used		(378,711.68)	(342,027.25)
Employee benefits expense		(898,534.08)	(745,255.88)
Prizes and entertainment expense		(107,089.77)	(154,619.60)
Depreciation and amortisation expense	2	(335,476.16)	(389,646.88)
Poker machine duties expense		(110,663.51)	(53,414.18)
Repairs and maintenance expense		(126,819.24)	(132,483.81)
Cleaning & garbage disposal expense		(96,563.09)	(78,285.82)
Rates and utilities expense		(112,115.62)	(99,919.60)
Insurance		(110,865.04)	(98,142.56)
Other expenses		(263,225.10)	(205,262.12)
		273,074.95	(169,947.93)
Current year surplus / (deficit) before income tax			
Income tax (expense)	4	(11,108.26)	(1,673.33)
		261,966.69	(171,621.26)
Net current year (deficit)/surplus			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		261,966.69	(171,621.26)
Net current year surplus / (deficit) attributable to members of the entity		261,966.69	(171,621.26)
Total comprehensive income attributable to members of the entity		261,966.69	(171,621.26)

The accompanying notes form part of these financial statements.

GLENORIE R.S.L. CLUB LIMITED
ABN 29 001 068 631

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,042,069.92	661,216.85
Trade and other receivables	6	49,811.06	55,215.44
Inventories	7	45,059.87	46,327.41
Current tax asset	8	21,602.93	29,146.93
Other assets	9	958.98	3,262.22
TOTAL CURRENT ASSETS		<u>1,159,502.76</u>	<u>795,168.85</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	3,939,953.96	3,926,491.49
Deferred tax assets	8	7,005.46	6,535.02
Intangible assets	11	405,331.34	405,331.34
TOTAL NON-CURRENT ASSETS		<u>4,352,290.76</u>	<u>4,338,357.85</u>
TOTAL ASSETS		<u>5,511,793.52</u>	<u>5,133,526.70</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	122,860.72	43,338.29
Borrowings	13	-	10.00
Provisions	14	156,334.66	128,908.82
TOTAL CURRENT LIABILITIES		<u>279,195.38</u>	<u>172,257.11</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities	8	11,578.70	-
Provisions	14	-	2,216.84
TOTAL NON-CURRENT LIABILITIES		<u>11,578.70</u>	<u>2,216.84</u>
TOTAL LIABILITIES		<u>290,774.08</u>	<u>174,473.95</u>
		<u>5,221,019.44</u>	<u>4,959,052.75</u>
EQUITY			
Reserves		617,681.03	617,681.03
Retained surplus		4,603,338.41	4,341,371.72
TOTAL EQUITY		<u>5,221,019.44</u>	<u>4,959,052.75</u>

The accompanying notes form part of these financial statements.

GLENORIE R.S.L. CLUB LIMITED
ABN 29 001 068 631

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Retained Surplus \$	Revaluation Surplus \$	Capital Profits Reserve \$	Total \$
Balance at 1 July 2019	4,512,992.98	161,513.00	456,168.03	5,130,674.01
Comprehensive income				
(Deficit) for the year attributable to members of the entity	(171,621.26)	-	-	(171,621.26)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income attributable to the members of the entity	(171,621.26)	-	-	(171,621.26)
Balance at 30 June 2020	4,341,371.72	161,513.00	456,168.03	4,959,052.75
Comprehensive income				
Surplus for the year attributable to members of the entity	261,966.69	-	-	261,966.69
Other comprehensive income for the year	-	-	-	-
Total comprehensive income attributable to the members of the entity	261,966.69	-	-	261,966.69
Balance at 30 June 2021	4,603,338.41	161,513.00	456,168.03	5,221,019.44

For a description of each reserve refer to note 15.

GLENORIE R.S.L. CLUB LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and customers		2,816,052.14	2,077,500.27
Payment to suppliers and employees		(2,043,040.33)	(2,019,269.36)
Interest received		143.89	752.16
Income tax refunded		29,169.00	2,812.21
Income tax paid		(21,625.00)	(39,959.00)
		780,699.70	21,836.28
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		10,000.00	-
Payment for property, plant and equipment		(409,836.63)	(355,508.22)
		(399,836.63)	(355,508.22)
CASH FLOWS FROM FINANCING ACITVITIES			
Repayment of borrowings		(10.00)	-
		(10.00)	-
Net increase (decrease) in cash held		380,853.07	(333,671.94)
Cash and cash equivalents at beginning of financial year	5	661,216.85	994,888.79
Cash and cash equivalents at end of financial year	5	1,042,069.92	661,216.85

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1 Summary of Significant Accounting Policies

Basis of Preparation

Glenorie R.S.L. Club Limited ("the Club") applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards*.

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in the financial statements containing relevant information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

The financial statements were authorised for issue on 6 October 2021 by the directors of the Club.

Accounting Policies

(a) Revenue

The Club has applied AASB 15: *Revenue from Contracts with Customers* and AASB 1058: *Income of Not-for-Profit Entities*. The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Club expects to receive in exchange for those goods and services.

Revenue is recognised when control of promised good or service is passed to the customer, this is when the good or service is delivered to the customer.

Membership income is recognised as a liability in the statement of financial position as unearned income and recognised as revenue as the membership period expires on the basis that the Club has an ongoing constructive obligation to provide membership services over the term of the membership.

When the Club receives grant revenue it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15, and if so, recognises revenue as it satisfies its performance obligations. When the contract is not enforceable or does not have sufficiently specific performance obligations, the Club recognises the asset received in accordance with the recognition requirements of other applicable accounting standards; recognises related amounts; and recognises income as the difference between the initial carrying amount of the asset and the related amount.

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

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

(b) Inventories

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

(c) Income Tax

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

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 reporting date. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

(d) **Property, Plant and Equipment**

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

Property

Freehold land and buildings are shown at cost, less subsequent depreciation for buildings.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings, but excluding freehold land, is depreciated on a straight line or diminishing basis over the asset's useful life to the Club commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Building Improvement	2.5% – 5.0%
Plant and Equipment	5% - 40%
Motor Vehicles	12.5%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at ending of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(e) **Leases**

The Club as a lessee

In the current year

At the inception of a lease contract (other than short-term leases and low-value assets), the Club recognises a right-of-use asset and a corresponding lease liability. Initially, the lease liability is measured at the present value of lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the entity uses the incremental borrowing rate.

The right-of-use asset comprises the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date, and any initial direct costs. The subsequent measurement of the right-of-use asset is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the entity anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Contracts that are classified as short-term leases and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

The Club as a lessor

Upon entering into each contract as a lessor, the Club assesses if the lease is a finance or operating lease. The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease. Rental income due under finance leases are recognised as receivables at the amount of the entity's net investment in the leases

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

(f) **Intangible Assets**

Poker Machine Licences

Poker machine licences are recognised at cost of acquisition. Poker machine licences have an indefinite useful life and as such are not amortised. The licences are tested annually for impairment and carried at cost less any accumulated impairment losses. Any forfeited entitlements to the State are expensed to the statement of comprehensive income. Licences previously granted by the State at no cost have not been recognised as an intangible asset.

(g) **Financial Instruments**

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Club becomes a party to the contractual provisions of the instruments. Financial instruments, except for trade receivables, are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit and loss", in which case transaction costs are expensed to profit and loss immediately.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financial components

Classification and subsequent measurement

Financial assets

Financial assets, other than those designated and effective as hedging instruments are subsequently measured at:

- amortised cost,
- fair value through other comprehensive income; or
- fair value through profit or loss

on the basis of the two primary criteria, being:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial asset.

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and,
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit and loss.

The initial designation of the financial instruments to measure at fair value through profit and loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

revenue received from these instruments will still be recognised in profit or loss.

Equity instruments

At initial recognition, equity instruments that are not held for trading, are eligible for an irrevocable election to be measured at fair value through other comprehensive income, while the dividend revenue received from these instruments will still be recognised in profit or loss.

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost, using the effective interest method; or
- fair value through the profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

(g) Financial Instruments (cont.)

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination
- held for trading; or
- initially designated as at fair value through profit or loss.

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

Impairment

The Club recognises a loss allowance for expected credit losses on financial assets that are measured at amortised costs or fair value through other comprehensive income. Loss allowance is not recognised for financial assets measured at fair value through profit or loss, or equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

Trade and other receivables

The Club has applied a simplified approach in accounting for trade and other receivables and recognises a loss allowance for the amount equal to lifetime credit losses. In measuring the expected credit loss, various data including historical experience and external indicators was taken into consideration.

Recognition of expected credit losses in financial statements

At each reporting date, the entity recognised the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. An amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expires or the asset and all substantial risks and rewards are transferred.

Financial liabilities are derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). The difference between the carrying value of the financial liability which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(h) Impairment of Assets

At the end of each reporting period, the Club reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the Club would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the Club estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is recognised against the relevant revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

(i) **Employee Benefits**

Short-term employee benefits

Provision is made for the Club's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Club's obligation for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The Club classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the Club's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The Club's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the Club does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which the obligations are presented as current liabilities

(j) **Provisions**

Provisions are recognised when the Club 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 recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(k) **Cash and Cash Equivalents**

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

(l) **Goods and Services Tax (GST)**

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivable or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

(m) **Critical accounting estimates and judgments**

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained externally and within the Club.

Key estimates – Impairment

The Club assesses impairment at each reporting date by evaluating conditions specific to the Club that may lead to impairment of assets. When an impairment trigger exists, the recoverable amount of the asset is determined. Fair value less costs to sell or current replacement cost calculations performed in assessing recoverable amounts incorporated a number of key estimates.

(n) **Comparative Figures**

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

GLENORIE R.S.L. CLUB LIMITED
ABN 29 001 068 631

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
2 Revenue and other income		
Revenue		
Sale of goods		
- Bar sales	869,012.08	751,176.60
- Cigarette sales	27,508.56	18,443.68
	896,520.64	769,620.28
Poker machine revenue	1,549,161.90	1,002,913.37
Government grants	147,500.00	141,000.00
Commissions and rebates	91,109.78	89,558.74
Raffles and promotions	18,023.90	45,967.11
Membership subscriptions	43,156.01	13,715.65
Interest received	143.89	752.16
Other revenue	68,789.66	49,593.70
	2,814,405.78	2,113,121.01
Other income		
Net gain on disposal of plant and equipment	-	-
	2,814,405.78	2,113,121.01
3 Expenses		
Depreciation of property, plant & equipment	335,476.16	389,646.88
Employee Benefits expense:		
Contributions to defined contribution superannuation funds	74,722.01	60,195.94
Net loss on disposal of plant and equipment	50,443.45	13,827.00
Borrowing costs:		
Interest expense	-	-
Facility fees	100.00	1,200.00
Amortisation of borrowing costs	-	1,391.51
	100.00	2,591.51

GLENORIE R.S.L. CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
4 Income tax expense		
The components of tax (expense) / income comprise:		
- Current tax	(8,015.17)	(16,273.92)
- Deferred tax	10,751.81	1,673.33
- Effect of change in tax rate from 27.5% to 26%	356.45	-
- Benefit of current year tax losses not recognised	8,015.17	16,273.92
	<u>11,108.26</u>	<u>1,673.33</u>
The prima facie tax on surplus before income tax is reconciled to the income tax expense as follows:		
Prima facie tax at 26% (2020: 27.5%)	70,999.49	(46,735.88)
Plus:		
Tax effect of:		
- Effect of change in tax rate from 27.5% to 26%	356.46	-
- Benefit of current year tax losses not recognised	8,015.17	16,273.92
	<u>79,371.12</u>	<u>(30,461.96)</u>
Less:		
Tax effect of:		
- Non-assessable government grants	(13,000.00)	(13,750.00)
- Member income & expenses	(55,262.86)	45,885.29
	<u>11,108.26</u>	<u>1,673.33</u>
5 Cash and cash equivalents		
Cash float	106,643.20	90,647.20
Cash at bank	430,426.72	565,569.65
Term deposits	505,000.00	5,000.00
	<u>1,042,069.92</u>	<u>661,216.85</u>
Total cash and cash equivalents as stated in the statement of cash flows		
6 Trade and other receivables		
Current		
Trade receivables	1,390.00	3,201.00
Other receivables	48,421.06	52,014.44
	<u>49,811.06</u>	<u>55,215.44</u>
7 Inventories		
Current		
Stock on hand - Bar	43,538.20	42,612.00
Stock on hand - Cigarettes	1,521.67	3,715.41
	<u>45,059.87</u>	<u>46,327.41</u>

GLENORIE R.S.L. CLUB LIMITED
ABN 29 001 068 631

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
8 Tax		
Current tax asset		
Income tax receivable	21,602.93	29,146.93

Non-Current

	Opening Balance \$	(Charged)/ Credited to Income \$	Change in tax rate \$	Charged Directly to Equity \$	Closing Balance \$
2020					
Deferred tax asset on:					
Provisions – employee benefits	5,507.28	262.25	-	-	5,769.53
Accruals	2,701.07	(1,935.58)	-	-	765.49
	8,208.35	(1,673.33)	-	-	6,535.02
Deferred tax liability on:					
Tax allowance on property, plant and equipment	-	-	-	-	-
	-	-	-	-	-
Net amount	8,208.35	(1,673.33)	-	-	6,535.02
2021					
Deferred tax asset on					
Provisions – employee benefits	5,769.53	1,048.69	(314.70)	-	6,503.52
Accruals	765.49	(221.80)	(41.75)	-	501.94
	6,535.02	826.89	(356.45)	-	7,005.46
Deferred tax liability on:					
Tax allowance on property, plant and equipment	-	(11,578.70)	-	-	(11,578.70)
	-	(11,578.70)	-	-	(11,578.70)
Net amount	6,535.02	(10,751.81)	(356.45)	-	(4,573.24)

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1 occur:

- temporary differences \$nil (2020: \$nil): and
- tax losses: operating losses \$23,401.42 at 26% (2020: \$16,273.92 at 27.5%)

	2021 \$	2020 \$
9 Other assets		
Current		
Prepayments	958.98	3,262.22

GLENORIE R.S.L. CLUB LIMITED
ABN 29 001 068 631

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
10 Property, plant and equipment		
<i>Land and buildings</i>		
Land – cost	425,000.00	425,000.00
Buildings - cost	125,000.00	125,000.00
Improvements at cost	2,962,369.31	2,785,123.87
Less: Accumulated depreciation	(628,975.93)	(537,706.33)
	2,333,393.38	2,247,417.54
<i>Total land and buildings</i>	2,883,393.38	2,797,417.54
<i>Plant and equipment</i>		
Plant and equipment - at cost	2,515,084.01	2,330,853.82
Less: Accumulated depreciation	(1,643,923.52)	(1,459,449.96)
	871,160.49	871,403.86
<i>Total plant and equipment</i>	871,160.49	871,403.86
<i>Capital Works in Progress</i>	185,400.09	257,670.09
<i>Total property, plant and equipment</i>	3,939,953.96	3,926,491.49

The land and buildings listed above form part of the core property of the Club as defined under section 41J of the Registered Club ACT 1976

Movements in Carrying Amounts

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

	Land \$	Buildings \$	Improvements \$	Plant & equipment \$	CWIP \$	Total \$
Balance at 30 June 2020	425,000.00	125,000.00	2,247,417.54	871,403.86	257,670.09	3,926,491.49
Additions	-	-	104,975.44	304,861.19		409,836.63
Disposals	-	-		(60,898.00)	-	(60,898.00)
Transfers			72,270.00		(72,270.00)	-
Depreciation expense	-	-	(91,269.60)	(244,206.56)	-	(335,476.16)
Balance at 30 June 2021	425,000.00	125,000.00	2,333,393.38	871,160.49	185,400.09	3,939,953.96

GLENORIE R.S.L. CLUB LIMITED
ABN 29 001 068 631

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
11 Intangible assets		
Poker machine licences	405,331.34	405,331.34
12 Trade and other payables		
Current		
Financial liabilities:		
Trade creditors	37,595.52	17,651.66
Other payables	62,207.68	8,753.00
Accrued charges	23,057.52	16,933.63
	122,860.72	43,338.29
13 Borrowings		
Current		
Bank Loans - secured	-	10.00

The bank loan was secured by a first registered mortgage over the Club's freehold land and buildings.

14 Employee provisions

Current

- Annual leave entitlements	76,959.52	55,298.16
- Long service leave entitlements	79,375.14	73,610.66
	156,334.66	128,908.82

Non-current

- Long service leave entitlements	-	2,216.84
	156,334.66	131,125.66

Analysis of total provision:

	Employee Provisions
	\$
Opening balance 1 July 2020	131,125.66
Additional provision raised during the year	47,441.23
Amount used	(22,232.23)
Balance at 30 June 2021	156,334.66

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Club does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Club does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

The measurement and recognition criteria for employee benefits have been discussed in Note 1(i).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
15 Reserves		
Surplus reserve		
The surplus reserve records revaluations of non-current assets.		
Capital profits reserve		
The capital profits reserve records non-taxable profits on sale of non-current assets.		
16 Related party transactions		
Key management personnel		
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Club, directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel		
key management personnel compensation	<u>170,717.68</u>	<u>158,601.14</u>
Other related parties		
Other related parties include immediate family members of key management personnel, and entities that are controlled or significantly influenced by those key management personnel individually or collectively with their immediate family members.		
Stephanie Medway, daughter of the current CEO, is employed by the Club in the role of Marketing and Events manager. Her remuneration is comparable with industry standards for a person in this position and has been reviewed and approved by the Board of Directors.		
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		
17 Events subsequent to reporting date		
Other than the following, the directors are not aware of any significant events since the end of the reporting period.		
Due to renewed spread of COVID-19 the Club closed temporarily from 26 th June 2021. At the date of this report the Club had not yet been permitted to reopen and has not received indication when they will be allowed to do so.		
The Board together with management are addressing the financial impact of the closure by monitoring cashflows on a regular basis, accessing government financial support for which the Club is eligible, reducing wages expense and deferring other expense payments where possible. Review of the Club's financial position and processes in place as a result of previous closures demonstrate a reasonable capacity to absorb the potential revenue impact of such event and continue as a going concern.		
The Club considers this to be a non-adjusting event after reporting date and hence financial effects of the COVID-19 closure have not been brought to account in the 2021 financial statements.		

GLENORIE R.S.L. CLUB LIMITED
ABN 29 001 068 631

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

		2021 \$	2020 \$
18 Financial risk management			
The Club's financial instruments consist mainly of deposits with banks and receivables and payables.			
The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements are as follows:			
	Note	2021 \$	2020 \$
Financial assets			
Cash and cash equivalents	5	1,042,069.92	661,216.85
Trade and other receivables	6	49,811.06	55,215.44
Total financial assets		1,091,880.98	716,432.29
Financial liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	12	122,860.72	43,338.29
- Bank loans	13	-	10.00
Total financial liabilities		122,860.72	43,348.29
19 Capital commitments			
Capital expenditure commitments contracted for:			
Building improvement project		63,975.00	170,640.00

GLENORIE R.S.L. CLUB LIMITED
ABN 29 001 068 631

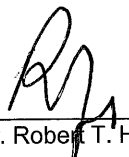
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Glenorie R.S.L. Club Limited, the directors declare that:

1. The financial statements and notes, as set out on page 4 – 19, are in accordance with the *Corporations Act 2001*, and:
 - (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements; 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



Mr. Robert T. Hodges

Director



Mr Chris Hammond

Dated this 6th day of October 2021

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF**

**GLENORIE R.S.L. CLUB LIMITED
ABN 29 001 068 631**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Glenorie R.S.L. Club Limited (the company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

In our opinion, the accompanying financial report of Glenorie R.S.L. Club Limited, has been prepared 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 performance for the year then ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis of Opinion

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

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the registered entity 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 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 registered entity'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 registered entity'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 registered entity 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.



GLENN MCEWEN

Name of Firm: Thomas GLC

Address: Hornsby, NSW

Dated this 6th **day of October 2021**

GLENORIE R.S.L. CLUB LIMITED
ABN 29 001 068 631

**DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021**

	2021	2020
	\$	\$
Sales		
Bar sales	869,012.08	751,176.60
Poker machine revenue	1,549,161.90	1,002,913.37
Cigarette sales	27,508.56	18,443.68
Kitchen contribution	62,399.90	44,400.00
Total sales	2,508,082.44	1,816,933.65
Less: Cost of sales		
Opening inventory	46,327.41	30,338.65
Purchases	378,711.68	342,027.25
Bar consumables	2,078.73	3,539.05
Depreciation - Poker machines	163,967.00	156,146.00
Direct wages	466,983.89	360,278.00
Complimentary food & drink	3,511.26	7,507.84
LAB monitoring fee & licences	22,783.34	17,301.50
Repairs & maintenance poker machines	33,108.57	47,186.91
Poker machine duties	110,663.51	53,414.18
Closing inventory	(45,059.87)	(46,327.41)
	1,183,075.52	971,411.97
Gross profit	1,325,006.92	845,521.68
Expenses		
Accountancy fees	9,611.85	9,854.96
Advertising	17,566.11	15,206.17
Amenities	5,373.84	6,693.89
Auditor's remuneration	9,611.85	9,404.96
Bank charges	12,625.09	7,523.17
Badge draw	0.00	42,909.09
Borrowing expense	100.00	2,603.35
Cash deficiency	(2,098.12)	(315.48)
Cleaning and garbage disposal	96,563.09	78,285.82
Computer Software and Hardware	4,732.66	4,250.49
Depreciation - Buildings	91,269.60	91,025.00
Depreciation - Plant & equipment	80,239.56	142,475.88
Donations	24,240.50	29,231.12
Electricity	61,447.77	52,889.19
Entertainers & equipment hire	20,595.46	18,404.54
Foxtel expenses	24,288.00	17,766.73
Gas	37,725.39	29,233.06
Hire of plant & equipment	14,903.10	13,385.43
Insurance	110,865.04	98,142.56
Loss on disposal of plant and equipment	50,443.45	13,827.00
Membership expenses	21,962.30	1,206.98
Miscellaneous	9,785.10	10,631.01

This detailed profit and loss statement has not been subject to audit and thus does not form part of the audited financial statements.
No audit assurance is expressed on this detailed profit and loss statement.

GLENORIE R.S.L. CLUB LIMITED
ABN 29 001 068 631

DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
Pool comp & table/juke box	3,129.15	3,534.71
Postage & stationery	18,507.30	13,968.26
Prizes	61,356.31	73,539.24
Rates & taxes	12,942.46	17,797.35
Repairs & maintenance	93,710.67	85,296.90
Salaries & wages	356,828.18	324,781.94
Security costs	12,499.70	14,684.21
Staff training & welfare	10,678.06	10,736.05
Subscriptions	7,944.41	8,434.58
Superannuation contributions	74,722.01	60,195.94
Telephone	4,085.42	3,647.34
Uniforms	0.00	405.53
	<u>1,358,255.31</u>	<u>1,311,656.97</u>
Trading (loss) / profit	<u>(33,248.39)</u>	<u>(466,135.29)</u>
Other operating income		
Government grants	147,500.00	141,000.00
Interest received	143.89	752.16
Membership subscriptions	43,156.01	13,715.65
TAB commissions	10,775.12	12,170.33
ATM rebate	18,227.27	15,169.83
Vending machine	618.22	893.00
Alcohol rebate	27,274.95	23,001.71
Gaming and racing rebate received	17,179.92	17,179.92
Keno commission	17,034.30	21,143.95
Functions & other income	5,314.31	3,113.62
Pool, juke box and games income	1,075.45	2,080.08
Raffles & promotion income	18,023.90	45,967.11
Net gain on disposal of plant and equipment	0.00	0.00
Other revenue	0.00	0.00
	<u>306,323.34</u>	<u>296,187.36</u>
Surplus/(Deficit) before income tax	<u><u>273,074.95</u></u>	<u><u>(169,947.93)</u></u>

This detailed profit and loss statement has not been subject to audit and thus does not form part of the audited financial statements.
No audit assurance is expressed on this detailed profit and loss statement.