

**BONDI JUNCTION-WAVERLEY RSL
SUB-BRANCH CLUB LIMITED
AND CONTROLLED ENTITY**

ABN 87 001 057 594

2021 FINANCIAL REPORT

**BONDI JUNCTION WAVERLEY RSL
SUB-BRANCH CLUB LIMITED AND CONTROLLED ENTITY**

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BONDI JUNCTION WAVERLEY RSL
SUB-BRANCH CLUB LIMITED AND CONTROLLED ENTITY
DIRECTORS' REPORT

Your Directors present this report on the Club for the financial year ended 31 December 2021.

DIRECTORS

The Directors in office at any time during or since the end of the year and information on each are listed here under:

(a) **William (Bill) Harrigan JP – President***

Retired AFP Detective Superintendent. Board member since March 1997. Sub-Branch President. Ex-officio Chairman of all Sub-Committees. , RSL Life Member and Club Life Member. Club member since 1987. Chairman of the Building Development Committee.

(b) **Kevin Hagan* (Resigned - 28/03/2021)**

Board member from March 2000 to March 2001, then re-elected to the Board of Directors on 6th April 2003. Club Vice President since 2008. Life Member of the Club. Sub Branch Vice President. President of the Eastern Suburbs National Services Association. Chairman of the In House Entertainment Committee and member of the Disciplinary Committee.

(c) **Jason Perica* (Resigned - 28/03/2021)**

Appointed to the Board of Directors on 13th February 2018. Club member since 2009. Town Planner and Development Consultant. Delegate for Development Control Group. Member of the Finance Committee. Former Director of Planning for City of Sydney Council and former Executive Director, NSW Department of Planning. Narrowly missed election to Board at 2019 AGM. Reappointed to the Board at the monthly meeting held on Tuesday, 14th January 2020 to fill the vacancy created by resignation of former Director, Denis Sheridan.

(d) **Craig Cunningham***

Elected to the Board of Directors on the 20th March 2016. Club member since January 2011. Retired Chief Inspector of Police. Member of North Bondi Surf Life Saving Club for over fifty (50) years. Chairman of the Disciplinary Committee; member of the Finance Committee; and member of the Building Control Group.

(e) **Greg Goodieson - Vice President***

Elected to the Board of Directors on the 20th March 2016. Service member of the Club since December 2012. Current member of the Sub Branch Committee. Life member of the AFL. Senior Technical Liaison Officer with the Defence Department. Member of the Finance Committee.

(f) **Erle Lindsay - Treasurer***

Elected to the Board of Directors on 22nd March 2015. Club member since August 2000. Allied Health Physiotherapy Assistant. Treasurer of the Sub Branch and Eastern Suburbs National Services Association. Member of the Finance Committee and Disciplinary Committee.

(g) **Louise Jones***

Elected to the Board of Directors on the 28th March 2021. Education and Administration Officer. Resigned 10th November 2021.

(h) **Linda Dowell***

Elected to the Board of Directors on 28th March 2021. Club member since 2007. Executive Assistant. Affiliate Member of the Sub Branch since 2015. Has been involved in various Sub Branch lunches.

(i) **Robyn Mander-Ross***

Elected to the Board of Directors on 24th March 2019. Club member since March 2011. Employed in the education field forty four years. Previously served as a Director of Bronte RSL. Affiliate member of the Bondi Junction Waverley RSL Sub Branch. Member of In House Entertainment Committee.

(j) **Ray "Bennie" Bennett***

Elected to the Board of Directors on 28th March 2021. Club member since 1986. President of the Bowls Club. Postal Supervisor for 30 years.

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

**BONDI JUNCTION WAVERLEY RSL
SUB-BRANCH CLUB LIMITED**

**DIRECTORS' REPORT
(Continued)**

MEETINGS OF DIRECTORS

During the financial year the Board of Directors met for 14 regular monthly meetings. The number of

| | a | b | | a | b |
|---------------|----------|----------|----------------|----------|----------|
| W. Harrigan | 10 | 10 | E. Lindsay | 10 | 8 |
| K. Hagan | 3 | 3 | R. Bennett | 7 | 7 |
| J. Perica | 3 | 1 | R. Mandor-Ross | 10 | 7 |
| C. Cunningham | 10 | 9 | L. Dowell | 7 | 6 |
| G Goodieson | 10 | 8 | L. Jones | 5 | 3 |

a = meetings eligible to attend

b = meetings attended

PRINCIPAL ACTIVITIES

The principal activities of the Club were formally:

1. Clubhouse operations including:
 - a) Bar and restaurant facilities
 - b) Gaming and wagering facilities
 - c) Function facilities
 - d) Sporting groups for members
 - e) Other services for members and their guests
2. Participation in ClubsNSW Governance and Compliance programs.
3. Commercial lessor of club property and facilities.

These activities are on hold while the Club is being redeveloped.

OBJECTIVES

Short Term:

To provide a new Club in order to provide enjoyable club experience for members, their guests and the public.

Long Term:

To continue to uphold the traditions of the RSL movement by creating a safe and friendly environment for members to meet and socialize.

To expand and improve club facilities by redeveloping the site.

**BONDI JUNCTION WAVERLEY RSL
SUB-BRANCH CLUB LIMITED**

**DIRECTORS' REPORT
(Continued)**

Strategy:

To achieve the above objectives the Club:

1. Will put in place and maintain appropriate strategies and programmes to facilitate the required level of amenity and service within the club operations.
2. Will develop business plans and strategies which will achieve both the financial and social objectives in line with the long-term objectives.

KEY PERFORMANCE MEASURES

The Club measures its performance by:

1. Comparing financial and non-financial outcomes against previous results.
2. Comparing itself against entities within the industry.
3. Evaluating itself against the performance indicators to ensure that its results are consistent and within accepted guidelines.

There were 1,418 financial members of the Club at balance date.

MEMBERS' GUARANTEE

Bondi Junction-Waverley R.S.L. Sub-Branch Club Limited is a company limited by guarantee. Every At 31 December 2021 the collective liability of members was \$7,090 (2020: \$10,490).

AUDITORS' INDEPENDENCE DECLARATION

The auditors' independence declaration for the year ended 31 December 2021 as required under Section 307C of the Corporations Act 2001 has been received and can be found on the page following this Directors' Report.

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

W. Harrigan – President

E.Lindsay – Treasurer

Dated: 28th February 2022

W. W. Vick & Co.

Chartered Accountants

ABN 14 568 923 714



**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
BONDI JUNCTION-WAVERLEY R.S.L. SUB-BRANCH CLUB LIMITED
AND CONTROLLED ENTITY**

I declare that, to the best of my 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.

W W Vick & Co
Chartered Accountants

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Phillip Jones - Partner

Dated: 28th February 2022

Level 3, 1 James Place North Sydney NSW 2060
Phone: 02 8071 0300



**BONDI JUNCTION WAVERLEY RSL
SUB-BRANCH CLUB LIMITED AND CONTROLLED ENTITY**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31 DECEMBER 2021

| | NOTE | 2021 \$ | 2020 \$ |
|--|------|-----------------|------------------|
| Revenue | 2 | 1 | 392,512 |
| Other Income | 2 | 134,840 | 470,739 |
| Loss on Disposals of Assets | | - | (266,358) |
| Changes in Inventories | | - | (20,039) |
| Consumables Used | | - | (53,942) |
| Employee Benefits Expense | | (90,040) | (478,084) |
| Depreciation | | (6,144) | (59,833) |
| Finance Costs | | (1,932) | (3,460) |
| Occupancy Costs | | - | (24,655) |
| Rental Expenses | | (7,642) | (98,054) |
| Poker Machine Supplementary Tax | | - | 978 |
| Cleaning, Cleansers & Laundry | | (1,524) | (29,322) |
| Light, Power & Heat | | (2,131) | (64,231) |
| Repairs & Maintenance | | (2,972) | (47,507) |
| Promotions & Prizes | | - | (68,692) |
| Artists & Bands | | - | (10,700) |
| Insurance | | (41,128) | (17,707) |
| Subscriptions & Sky Channel | | (2,907) | (16,042) |
| Other Expenses | | (45,133) | (84,836) |
| (Loss)/Profit before Income Tax Expense | | (66,712) | (479,233) |
| Income Tax Expense | 4 | - | 410 |
| (Loss)/Profit for the year | | (66,712) | (478,823) |
| Total comprehensive (loss)/income attributable to the Members | | (66,712) | (478,823) |

The accompanying Notes form part of these financial statements

**BONDI JUNCTION WAVERLEY RSL
SUB-BRANCH CLUB LIMITED AND CONTROLLED ENTITY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

| ASSETS | NOTE | 2021 | 2020 |
|--------------------------------------|-------------|------------------|------------------|
| CURRENT ASSETS | | \$ | \$ |
| Cash and Cash Equivalents | 5 | 230,169 | 370,284 |
| Trade and Other Receivables | 6 | 89,322 | 71,265 |
| Other Current Assets | 7 | 2,576 | 39,130 |
| TOTAL CURRENT ASSETS | | <u>322,067</u> | <u>480,679</u> |
| NON-CURRENT ASSETS | | | |
| Other Receivables | 6 | - | 66,000 |
| Property, Plant and Equipment | 8 | 8,735,580 | 7,217,810 |
| Investment Property | 9 | - | 1,500,000 |
| TOTAL NON-CURRENT ASSETS | | <u>8,735,580</u> | <u>8,783,810</u> |
| TOTAL ASSETS | | <u>9,057,648</u> | <u>9,264,490</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and Other Payables | 10 | 15,000 | 102,558 |
| Employee Benefits | 11 | - | 64,510 |
| Current Tax Liabilities | | - | (11,938) |
| TOTAL CURRENT LIABILITIES | | <u>15,000</u> | <u>155,130</u> |
| NON-CURRENT LIABILITIES | | | |
| Financial Liability | 14 | 7,536,549 | 7,536,548 |
| TOTAL NON-CURRENT LIABILITIES | | <u>7,536,549</u> | <u>7,536,548</u> |
| TOTAL LIABILITIES | | <u>7,551,549</u> | <u>7,691,678</u> |
| NET ASSETS | | <u>1,506,099</u> | <u>1,572,812</u> |
| MEMBERS' FUNDS | | | |
| Retained Earnings | | 1,506,099 | 1,572,812 |
| TOTAL MEMBERS' FUNDS | | <u>1,506,099</u> | <u>1,572,812</u> |

The accompanying Notes form part of these financial statements

**BONDI JUNCTION WAVERLEY RSL
SUB-BRANCH CLUB LIMITED AND CONTROLLED ENTITY**

**CONSOLIDATED STATEMENT OF CHANGE IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

| | RETAINED EARNINGS | CAPITAL PROFITS RESERVE | TOTAL |
|--|------------------------------|--|--------------|
| Balance 31 December 2019 | 2,051,635 | - | 2,051,635 |
| Total Comprehensive (Loss) attributable to the members – 2020 | (478,823) | | (478,823) |
| Balance 31 December 2020 | 1,572,812 | - | 1,572,812 |
| Total Comprehensive (Loss) attributable to the members – 2021 | (66,713) | | (66,713) |
| Balance 31 December 2021 | 1,506,099 | - | 1,506,099 |

The accompanying Notes form part of these financial statements

**BONDI JUNCTION WAVERLEY RSL
SUB-BRANCH CLUB LIMITED AND CONTROLLED ENTITY**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

| | NOTE | 2021 | 2020 |
|--|------|-----------|-------------|
| Cash Flows from Operating Activities | | | |
| Bar Sales | | - | 205,795 |
| Revenue - Poker Machines | | - | 190,278 |
| Revenue – Rentals | | 89,894 | 242,472 |
| Functions Revenue | | - | 13,761 |
| Members Subscriptions | | - | 3,333 |
| Interest Income | | 1 | 83 |
| Raffle Income | | - | 21,888 |
| Other Income | | 68,269 | 9,573 |
| Government Subsidies | | 25,350 | 171,100 |
| Keno, TAB & Other Commissions | | - | 11,522 |
| | | 183,514 | 869,805 |
| Payments to Suppliers & Employees | | (330,162) | (1,338,681) |
| Income Tax | | - | (11,513) |
| Finance cost | | - | (3,461) |
| Net cash used in Operating Activities | | (146,648) | (483,850) |
| Cash Flows from Investing Activities | | | |
| Net Proceeds from Sale of Assets Held for sale | | 6,528 | - |
| Club redevelopment | | - | - |
| Proceeds from disposal of Plant and Equipment | | - | 80,899 |
| Payments for Acquisition of Plant and Equipment | | - | - |
| Net cash used in Investing Activities | | 6,528 | 80,899 |
| Cash Flows from Financing Activities | | | |
| Repayment of borrowings | | - | - |
| Proceeds from Borrowing | | - | - |
| Net Cash used in Financing Activities | | - | - |
| Net (Decrease)/Increase in Cash and Cash Equivalents Held | | (140,125) | (402,951) |
| Cash and Cash Equivalents at Beginning of Year | | 370,284 | 773,235 |
| Cash and Cash Equivalents at End of Year | 5 | 230,169 | 370,284 |

The accompanying Notes form part of these Financial Statements.

**BONDI JUNCTION WAVERLEY RSL
SUB-BRANCH CLUB LIMITED AND CONTROLLED ENTITY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

The consolidated financial report is for Bondi Junction-Waverley RSL Sub-branch Club Limited as a group. Bondi Junction-Waverley RSL Sub branch Club Limited as an individual entity is a company limited by guarantee.

1. Summary of Significant Accounting Policies

Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards – Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board. As the Group is a not-for-profit entity which is not publicly accountable, the consolidated financial statements for the Group are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB – RDRs).

The consolidated financial statements, except for the 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 amount presented in the financial statements have been rounded to the nearest dollar.

Comparatives are consistent with prior years, unless otherwise stated.

Accounting Policies

(a) Change in Accounting Policy -Revenue from Contracts with Customers AASB 15

The Club has adopted AASB 15 Financial Instruments.

(b) Inventories

Inventories, comprising liquor and other bar stocks, have been measured at lower of cost and net realisable value. Cost has been arrived at by using the "first in first out" method of assigning costs.

**BONDI JUNCTION WAVERLEY RSL
SUB-BRANCH CLUB LIMITED AND CONTROLLED ENTITY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

(c) Plant and Equipment

Plant and equipment are measured on the cost basis and 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 and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

(d) Freehold Land and Buildings

These assets are shown at cost less, in the case of buildings, accumulated depreciation. The Directors of the Club have formed the opinion from enquiries made of various managing agents and from insurance valuations that the replacement cost of this class of assets is, in total, in excess of the carrying amounts in the Statement of Financial Position.

(e) Depreciation and Amortisation

Depreciation has been provided on buildings using the straight line method whereby equal depreciation charges are written off over the estimated useful life of the building. Depreciation has been provided on all other fixed assets using the reducing balance method. Under this method a greater depreciation charge is incurred in the earlier years of the useful life of the asset with the charge decreasing from year to year.

The Depreciation and Amortisation rates used for each class of depreciable assets are:

| Class of Fixed Asset | Rates Used |
|------------------------------------|---------------------------|
| Clubhouse extensions & alterations | to 31/12/2012 (see above) |
| Plant & equipment | 15% |
| Furniture & fittings | 15% |
| Poker machines | 25% |

**BONDI JUNCTION WAVERLEY RSL
SUB-BRANCH CLUB LIMITED AND CONTROLLED ENTITY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

(f) Employee Entitlements

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 before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and personal leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Club's obligations for short-term employee benefits such as wages, salaries and personal leave are recognised as part of current payables in the statement of financial position. The Club's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements 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. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

(g) Income Tax

The Club operates the liability method of tax effect accounting. Due to the taxation principle of mutuality, the Club is taxed on net income from non-members and other external sources only, and accordingly, taxable income does not relate to operating results as disclosed in the financial statements.

**BONDI JUNCTION WAVERLEY RSL
SUB-BRANCH CLUB LIMITED AND CONTROLLED ENTITY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

(h) Members' Subscriptions

Subscription income has been taken into account in the Statement of Profit or Loss and Other Comprehensive Income in the year in which they are received, regardless of the subscription year to which they may relate.

(i) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are reported within borrowings in current liabilities on the statement of financial position.

(j) Investment Properties

Investment properties comprise one residential rental property and one commercial rental building which are held to generate rental revenue. Investment properties are carried at cost. The replacement cost of this class of asset is in excess of the carrying amount in the Statement of Financial Position.

(k) Revenue and Expenses

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

Revenue from bar sales and functions are recognised when the goods and services are provided. Poker machine revenue is recognised net of payouts and when the goods and services are provided. Rental income is recognised as the right to receive income accrues. Interest income is recognised as it accrues. Commission revenue is recognised when the Club acts as an agent rather than a principal in the transaction and is brought to account at the net amount received by the Club.

**BONDI JUNCTION WAVERLEY RSL
SUB-BRANCH CLUB LIMITED AND CONTROLLED ENTITY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Expenses are classified by nature in the financial statements.

(1) Financial Instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Club becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Impairment of Financial Assets

At the end of the reporting year, the Club assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Club classifies its financial assets into the following categories:

- amortised cost
- fair value through profit or loss FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

**BONDI JUNCTION WAVERLEY RSL
SUB-BRANCH CLUB LIMITED AND CONTROLLED ENTITY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Financial Instruments (continued)

Financial assets are not reclassified subsequent to their initial recognition unless the Club changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Club's financial assets measured at amortised cost comprise trade and other receivables in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) for financial assets measured at amortised cost.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Club considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Clubs's historical experience and informed credit assessment and including forward looking information.

The Club uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Club uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Club in full, without recourse by the Club to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Club in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

**BONDI JUNCTION WAVERLEY RSL
SUB-BRANCH CLUB LIMITED AND CONTROLLED ENTITY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Club has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectible then the gross carrying amount is written off against the associated receivable.

Where the Club renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference with the carrying value is recognised in profit or loss.

Financial liabilities

The Club measures all financial liabilities initially at fair value less transaction costs. Subsequent financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Club comprise trade payables, other loans and finance.

(m) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

(n) 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 receivables 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.

**BONDI JUNCTION WAVERLEY RSL
SUB-BRANCH CLUB LIMITED AND CONTROLLED ENTITY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

(o) Trade and Other Payables

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

(p) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements 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 both externally and within the Club.

Key Judgments – Employee Benefits

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the Club expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows (despite an informal Club policy that requires annual leave to be used within 18 months), the directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

Key Judgments – Receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key Judgments – Income Tax

Under the principle of mutuality, the Club is only taxed on the non-member contribution portion of its taxable income. Based on the information obtained from the membership information system, the daily average number of non-members as a percentage of total average daily visitors (including members and non-members) is used to calculate the non-member portion of the taxable income. This equates to 20%. The directors believe the percentage allocated depicts a fair contribution by non-members to the Club's taxable income.

**BONDI JUNCTION WAVERLEY RSL
SUB-BRANCH CLUB LIMITED AND CONTROLLED ENTITY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

(q) Going Concern

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

(r) Impairment of Assets

At the end of each reporting period, the Club reviews the carrying amounts 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 of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

Where it is not possible to estimate the recoverable amount of an individual asset, the Club estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**BONDI JUNCTION WAVERLEY RSL
SUB-BRANCH CLUB LIMITED AND CONTROLLED ENTITY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

| 2. REVENUE AND OTHER INCOME | 2021 | 2020 |
|---|----------------|----------------|
| Revenue | \$ | \$ |
| Bar Sales | - | 187,087 |
| Poker Machine Revenue | - | 172,980 |
| Commissions – vending machines, ATM etc. | - | 1,897 |
| Keno and TAB Commissions | - | 8,577 |
| Interest Income – other persons | 1 | 84 |
| Raffle Income | - | 21,887 |
| Total Revenue | <u>1</u> | <u>392,512</u> |
| Other Income | | |
| Gain on Disposal of Assets Held for Sale | 6,528 | - |
| Rents Received | 89,894 | 267,716 |
| Members’ Subscriptions | - | 3,333 |
| Function Rooms Rental | - | 19,017 |
| GST Rebate | - | 4,295 |
| Sundry Other Income | 13,068 | 5,279 |
| Covid Cashflow Boost & Jobkeeper | 25,350 | 171,100 |
| Total Other Income | <u>134,840</u> | <u>470,740</u> |
| Total Revenue and Other income | <u>134,841</u> | <u>863,252</u> |
| 3. EXPENSES | | |
| Expenses | | |
| Cost of Sales | - | 73,981 |
| Finance Costs | | |
| Bank Charges | 134 | 3,280 |
| Interest Paid | 1,798 | 180 |
| | <u>1,933</u> | <u>3,460</u> |
| Depreciation of Non-Current Assets | | |
| Plant & Equipment, Furniture & Fittings | 0 | 42,200 |
| Rental | 6,144 | 764 |
| Poker Machines | 0 | 16,869 |
| | <u>6,144</u> | <u>59,833</u> |
| Contributions to employees defined superannuation funds | <u>6,351</u> | <u>30,688</u> |

**BONDI JUNCTION WAVERLEY RSL
SUB-BRANCH CLUB LIMITED AND CONTROLLED ENTITY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

| 3. LOSS FOR THE YEAR (Cont'd) | 2021 | 2020 |
|---|-------------|-------------|
| | \$ | \$ |
| <i>Auditors' Remuneration:</i> | | |
| Auditing or reviewing the financial report | 9,000 | 12,000 |
| Accounting and Secretarial services | 7,400 | 10,400 |
| Taxation services | 1,700 | 1,700 |
| | 18,100 | 24,100 |
| | 18,100 | 24,100 |
| | | |
| 4. INCOME TAX | | |
| | | |
| (a) The components of tax expense comprise: | | |
| Current Tax | - | - |
| Deferred Tax | - | 410 |
| | - | 410 |
| | - | 410 |
| | | |
| (b) The prima facie tax on (loss) before income tax is reconciled to income tax as follows: | | |
| Prima facie tax payable on loss from before income tax at 26% (2020: 27.5%) | (2,993) | (131,789) |
| | - | 132,199 |
| Non-allowable items | - | 132,199 |
| Less: Tax effect of: | | |
| Capital profits not subject to income tax | - | - |
| Tax deductible timing differences | - | - |
| Income tax attributable to Club | (2,993) | 410 |
| | (2,993) | 410 |

**BONDI JUNCTION WAVERLEY RSL
SUB-BRANCH CLUB LIMITED AND CONTROLLED ENTITY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. INCOME TAX (Cont'd)

(c) The Club also has capital tax losses for which no deferred tax asset is recognised on the balance sheet of \$281,134 (2020: \$281,134) and are available indefinitely for offset against future capital gains of a similar nature subject to continuing to meet relevant statutory tests.

| | 2021 | 2020 |
|---|-------------|-------------|
| | \$ | \$ |
| 5. CASH AND CASH EQUIVALENTS | | |
| Cash on Hand | - | - |
| Cash at Bank | 17,837 | 68,604 |
| | 17,837 | 68,604 |
| Cash Management and Term Deposit Accounts | 212,332 | 301,680 |
| Total Cash and Cash Management Accounts | 230,169 | 370,284 |

Cash at bank and cash on hand are carried at their face value. There is no interest received on cash at bank as it comprises working bank accounts.

The cash management accounts are 24-hour call accounts and pay interest at rates between 0.01% and 2.55% p.a. (2020: 0.01% to 2.75%). Credit risk is minimal as the deposits are held with the Westpac Banking Corporation.

6. TRADE AND OTHER RECEIVABLES

| | | |
|--------------------|--------|--------|
| Current Assets | | |
| Trade Debtors | - | 3,467 |
| Other Debtors | 89,322 | 67,798 |
| | 89,322 | 71,265 |
| Non-Current Assets | | |
| Other Debtors | - | 66,000 |
| | - | 66,000 |

7. OTHER CURRENT ASSETS

| | | |
|-------------|-------|--------|
| Prepayments | 2,576 | 39,129 |
| | 2,576 | 39,129 |

**BONDI JUNCTION WAVERLEY RSL
SUB-BRANCH CLUB LIMITED AND CONTROLLED ENTITY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

| 8. PROPERTY, PLANT AND EQUIPMENT | 2021 | 2020 |
|--|------------------|------------------|
| | \$ | \$ |
| (a) Property Plant and Equipment | | |
| Clubhouse Extensions and Alterations - At Cost | - | 5,859,861 |
| Less: Accumulated Amortisation | - | (5,859,861) |
| | <u>-</u> | <u>-</u> |
| | | |
| Furniture, Fittings, Carpets, Plant and Equipment | | |
| - At Cost | - | 71,943 |
| Less: Accumulated Depreciation | - | (65,798) |
| | <u>-</u> | <u>6,144</u> |
| | | |
| Freehold Land and Buildings | | |
| LAND - At Cost as Apportioned | | |
| 82 Ebley Street, Bondi Junction | - | 52,000 |
| 84 Ebley Street, Bondi Junction | - | 45,000 |
| 86 Ebley Street, Bondi Junction | - | 45,000 |
| 9 Gray Street Bondi Junction | - | 59,385 |
| 1-7 Gray Street Bondi Junction | - | 6,885,832 |
| | <u>-</u> | <u>7,087,217</u> |
| | | |
| Club Redevelopment – Work in Progress | - | 124,449 |
| | <u>-</u> | <u>7,217,810</u> |
| | | |
| Club Bondi Junction Development Pty Ltd | | |
| LAND - At Cost | | |
| 82 Ebley Street, Bondi Junction | 52,000 | 0 |
| 84 Ebley Street, Bondi Junction | 45,000 | 0 |
| 86 Ebley Street, Bondi Junction | 45,000 | 0 |
| 9 Gray Street, Bondi Junction | 59,385 | 0 |
| 1-7 Gray Street, Bondi Junction | 6,885,832 | 0 |
| 36-42 Bronte Road, Bondi Junction | 1,500,000 | 0 |
| | <u>8,587,217</u> | <u>0</u> |
| | | |
| Club Redevelopment – Work in Progress | 148,363 | 0 |
| | <u>8,735,580</u> | <u>7,217,810</u> |

**BONDI JUNCTION WAVERLEY RSL
SUB-BRANCH CLUB LIMITED AND CONTROLLED ENTITY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. PROPERTY, FURNITURE AND EQUIPMENT (Cont'd)

(c) Movements in Carrying Amounts

| | Furniture Plant etc. \$ | Poker Machines \$ | Land \$ | Club Redevelopment \$ | Total \$ |
|----------------|-------------------------------|----------------------|-------------|-----------------------------|-------------|
| Bal 01/01/2020 | 6,144 | - | 7,087,217 | 124,449 | 7,217,810 |
| Additions | - | - | - | - | - |
| Disposals | - | - | (7,087,217) | (124,449) | (7,211,666) |
| Depreciation | (6,144) | - | - | - | (6,144) |
| Bal 31/12/2020 | - | - | - | - | - |

9. INVESTMENT PROPERTY

Freehold Land and Buildings

LAND – At Cost as Apportioned

36-42 Bronte Road, Bondi Junction

2021

\$

2020

\$

- 1,500,000

- 1,500,000

**BONDI JUNCTION WAVERLEY RSL
SUB-BRANCH CLUB LIMITED AND CONTROLLED ENTITY**

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

| 10. TRADE AND OTHER PAYABLES | 2021 | 2020 |
|-------------------------------------|-------------|-------------|
| | \$ | \$ |
| CURRENT – Unsecured Liabilities | | |
| Trade Creditors | - | 10,303 |
| Sundry Payables & Accrued Expenses | 15,000 | 92,255 |
| | 15,000 | 102,559 |
| | 15,000 | 102,559 |

11. EMPLOYEE BENEFITS

| | Annual Leave | Long Service Leave | Total |
|---------------------------------|---------------------|-------------------------------|--------------|
| Balance 31 December 2020 | 53,156 | 11,354 | 64,510 |
| Provisions paid during the year | (53,156) | (11,354) | (64,510) |
| Balance 31 December 2021 | - | - | - |
| | - | - | - |

**BONDI JUNCTION WAVERLEY RSL
SUB-BRANCH CLUB LIMITED AND CONTROLLED ENTITY**

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

12. CAPITAL/LEASING COMMITMENTS AND CONTINGENCIES

There are no non-cancellable operating leases for both reporting dates.

There are no capital commitment and contingencies at both reporting dates.

13. KEY MANAGEMENT PERSONNEL COMPENSATION (KMP)

Key Management Personnel comprise the directors and General Manager and are defined as any persons having authority and responsibility for planning, directing and controlling the activities of the Club directly or indirectly.

| | 2021 | 2020 |
|------------------|-------------|-------------|
| | \$ | \$ |
| KMP Compensation | 140,598 | 113,151 |

14. FINANCE LIABILITY

| | | |
|--------------|-----------|-----------|
| Secured Loan | 7,536,549 | 7,536,549 |
|--------------|-----------|-----------|

The purchase of the Club property from the Sub-branch in 2017 was financed through a loan facility. Interest rate for the loan is the Reserve Bank Cash Rate plus a commercial margin. The repayment date of the arrangement is the earlier of 5 years after first drawn down of the Principal or the date the funding is obtained for the purpose of the development.

As part of the loan arrangement, the secured properties are 1-9 Gray Street, 28-34 Bronte Road, 36 Bronte Road, 38 Bronte Road, 40 Bronte Road, 42 Bronte Road and 84 Ebley Street, Bondi Junction. In the events of default or violation of the contract, the lender has the first priority claim over the Secured Properties. Any mortgages by the Club in favour of Capital Bluestone (BJRSL) Pty Ltd is second ranking.

**BONDI JUNCTION WAVERLEY RSL
SUB-BRANCH CLUB LIMITED AND CONTROLLED ENTITY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. MEMBERS' GUARANTEE

Bondi Junction-Waverley R.S.L. Sub-Branch Club Limited is a company limited by guarantee. Every member of the Club undertakes in accordance with the constitution to contribute such amount, not exceeding \$5, as may be required in the event of the winding up of the Club during the period of membership or within one year afterwards. The total number of members at 31 December 2021 was 1,418 (2020: 2,098).

16. OTHER RELATED PARTY TRANSACTIONS

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

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

17. FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

The carrying amounts for each for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments as detailed in the accounting policies to these financial statements, are as follows:

| | NOTE | 2021 | 2020 |
|------------------------------|-------------|-------------|-------------|
| | | \$ | \$ |
| Financial Assets | | | |
| Cash and Cash Equivalents | 5 | 230,169 | 370,284 |
| Trade and Other Receivables | 6 | 89,322 | 71,265 |
| Other Receivables | 6 | - | 66,000 |
| Total Financial Assets | | 319,491 | 507,549 |
| Financial Liabilities | | | |
| Trade and Other Payables | 10 | 15,000 | 102,558 |
| Finance Liability | 14 | 7,536,549 | 7,536,549 |
| Total financial liabilities | | 7,551,550 | 7,639,107 |

**BONDI JUNCTION WAVERLEY RSL
SUB-BRANCH CLUB LIMITED AND CONTROLLED ENTITY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

18. DIRECTORS' BENEFITS

The Directors of the Club are elected on an honorary basis and do not receive remuneration or retirement benefits. Out of pocket expenses are reimbursed and the reasonable costs of food and drink are met in the course of carrying out their duties at Board and Committee meetings and the costs of continuing education are also met by the Club.

| | 2021 | 2020 |
|-----------------------------------|-------------|-------------|
| | \$ | \$ |
| Directors expenses and honorarium | 1,036 | 20,939 |

19. EVENTS AFTER THE REPORTING PERIOD

The Club's administration has ceased to occupy the first floor of the club's premises after 28 February 2021. The Developer has commenced the excavation of the site, demolishing the Club's buildings.

20. Controlled Entities

Information about Principal Subsidiary

The subsidiary listed below has share capital consisting solely of one ordinary share which is held directly by the parent entity. The assets, liabilities, income and expenses of the subsidiary have been consolidated on a line-by-line basis in the consolidated financial statements of the Group. The proportion of ownership interests held equals the voting rights held by the Group.

| Name of Subsidiary | 2021 | 2020 |
|---|-------------|-------------|
| Club Bondi Junction Development Pty Ltd | 100% | 100% |

**BONDI JUNCTION WAVERLEY RSL
SUB-BRANCH CLUB LIMITED**

DIRECTORS' DECLARATION

The directors of the Club declare that:

1. the financial statements and notes, being the Statement of Consolidated Financial Position, Consolidated Statement of Profit or Loss and other Comprehensive Income, Consolidated Statement of Change in Equity, Consolidated Statement of Cash Flows and Notes to the Financial Statements, 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 31 December 2021 and of the performance for the year ended on that date of the Club.
2. in the director's opinion there are reasonable grounds to believe that the Club 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.

.....
W. Harrigan - President

.....
E.Lindsay – Treasurer

Dated: 28th February 2022



Independent Audit Report to the Members of Bondi Junction-Waverley RSL Sub-branch Club Limited

Opinion

We have audited the consolidated financial report of Bondi Junction-Waverley RSL Sub-branch Club Limited (the Club), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ending 31 December 2021, notes comprising a summary of significant accounting policies and other explanatory notes and the Directors' declaration.

In our opinion, the accompanying financial report of the Club is in accordance with the Corporations Act 2001, including;

- a) giving a true and fair view of the Club's financial position as at 31 December 2021, and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards- Reduced Disclosure Requirements and the Corporations Regulation 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Club 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Club's annual report for the year ended 31 December 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.

W.W. Vick & Co.

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 Directors for the Financial Report

The directors of the Club 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 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 ability of the Club to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless directors either intends to liquidate the Club or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

W W VICK & CO

Chartered Accountants

Phillip Jones – Partner

Sydney

Dated: 28th February 2022