



ANNUAL REPORT

For the year ended
31 December, 2021



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Our Commitment

Cronulla RSL Memorial Club is a provider of hospitality and community services in the Registered Clubs industry.

We acknowledge our heritage and foundation by the ex-servicemen and women who created this great Club from humble beginnings in 1944.

Cronulla RSL Memorial Club aims to consistently provide, at the highest standard, a range of recreational and social amenities that are attractive, enjoyable and relevant to our Members in a safe and friendly environment.

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NOTICE OF AGM

ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of Cronulla RSL Memorial Club will be held in the Club on:

**TUESDAY MAY 10TH, 2022
COMMENCING AT 7.30PM SHARP**

AGENDA

- Apologies
- To confirm the Minutes of Previous Meeting held May 2021.
- To receive, consider and adopt the report of the President and Secretary.
- To receive, consider and adopt the Financial Statement of the Company for the year ended 31st December 2021 together with the Reports therein of the Directors and Auditors.
- Notice of Special Resolutions
- Notice of Ordinary Resolutions
- Nomination for Life Member
- Election for Ordinary Directors for 3 years and declaration.
- General Business

IMPORTANT: Members attending the Annual Meeting must produce their financial membership cards for 2022 and have been a member for the preceding 12 months before having voting rights.

PLEASE NOTE: Any questions on the Financial Statements need to be in the hands of the CEO 14 days prior to the Annual General Meeting.

I Bourke, President

S McNeill, Secretary





PRESIDENT'S REPORT

I refer back to my last comment in the 2019 report which says "Who knows what the ramifications of this will be," How true, in the past 12 months the Club has opened, closed, had restrictive trading, masks on/off, changing guidelines and Government directions.

In addition to this, Directors, Management, staff, members and families have contracted the COVID virus. This at times made it very difficult to staff all levels of the Club.

Naturally with the closure of the Club for 16 weeks, it had a great impact on our trading. This coupled with reduced patronage and rent reduction from our caterer had a major effect on our 2021 profit. Full financial details and comments are shown further in this Annual Report.

At the 2021 AGM, Financial Director Geoff Rout retired from the Board after many years of valuable service to the Club and the Club industry in general. We sincerely thank Geoff for that year's service. His position on the Board was taken by Grant Conway. In Grant's short time on the Board he has shown his expertise in the financial field. The position of Financial Director/Chair of the Finance committee was taken by Mick Mood.

At this year's AGM another long term Director Gordon Williams has decided to retire. Gordon has served on various Club committees with distinction. Because of his service to the Club, Gordon has been nominated for Life Membership, a position well deserved.

To the Club's CEO, Sue McNeill, her management team and Staff, from the Board of Directors, a huge thank you for the dedication and work done in this very difficult time.

To our Club members, thank you for your continued loyalty and support.

IAN BOURKE
PRESIDENT

We are pleased to present the financial results for 2021. Setting a budget for 2021 was difficult due to 2020 being a year of uncertainty and lockdowns. The team pushed ahead to strive for a robust and profitable year. However 2021 and Covid19 continued to cause havoc for the business with a close to a 6 months government ordered lockdown and the efforts to keep our members & guests safe with extra Covid provisions, the financial results achieved for 2021, show a solid performance in these difficult times. Thanks to the efforts of the management and staff and the ongoing support & confidence of our members and guests, the Club shows a surplus of \$470,403 for 2021.

The club continues to show a strong financial foundation with total equity of \$46.2M. The cash surplus at bank at the end of the year is \$4.53M and the current ratio is a comfortable 1.7:1. This ratio is not often seen in club land, which is a real credit to the ongoing financial management of the club.

This year we have serviced our debts to the tune of \$1.47M and the directors have confidence to continue to pay its debt as and when they fall due and payable.

On behalf of the Finance Committee we would like to express our appreciation for the continued efforts of the CEO Sue McNeill, her Management team and the dedicated staff who continue to provide to all our members and guests of Cronulla RSL and we look forward to 2022.

MICK MOOD
CHAIRMAN OF THE FINANCE COMMITTEE



FINANCE COMMITTEE REPORT



CEO'S REPORT

2021 certainly continued to deliver many challenges as Covid spread throughout our community and the world. We were once again closed for 16 weeks in June through to October. Over the two years since Covid started the Club has been closed for just on 6 months and lost over 50,000-man hours off the roster. It's been a long two years and while we acknowledge many industries have been in a worse position than us it has been very hard on the Board, Management, Staff and you, our members.

The Board and Management during 2021 stayed extremely focused on ensuring we maintained our financial position which remained strong to weather another closure. The building was maintained with no major plant or equipment issues when we re-opened. We must give a huge thanks to Robert Walker who ensured the safety and security of the Club during closure. Robert was also voted our 2021 Staff Member of the Year.

While Covid certainly delayed any plans for the business the Board agreed to start the process of master planning our properties, a plan we expect will take up to 12 months to complete.

It was terrific to be able to celebrate Anzac Day and of course who could not forget our honorary member retired service dog Manic making a guest appearance. Manic certainly lifted the spirit of the day and reminded us about the huge role that animals play in the military.

Our community support continued through 2021 with over \$165,000 being shared within the community to August 31. Our Trees of Hope at Christmas saw more trees added in the foyer and wow they were beautiful!

Towards the end of the year, we saw our partnership with Cronulla Surf Club commence and we are pleased to report the partnership has been successful with many events booked. The Surf Club is a popular destination for weddings!

To our President, Ian Bourke and his Directors, we thank you for your ongoing support. You have been steadfast in such a difficult period and that has been appreciated by us all. At last year's AGM Geoff Rout stood down and this year Gordon Williams has decided its time for more time with his family. I would personally like to thank both Geoff and Gordon for their support, mentoring and dedication to the Club.

To my Executive – Bradley, Francis, Eren and Michael – thank you.

To every staff member who has worked in the last two years during this pandemic – thank you! It has been widely discussed amongst us all that it has been the hardest period working in the hospitality industry.

Finally, to our members, we all thank you for your support over the last two years. With so many rules and regulations it's been a challenge everyday!

Our passion, your memories – love, celebrate and connect

Regards

SUE MCNEILL
CHIEF EXECUTIVE OFFICER

NOTICE OF DIRECTOR NOMINEES

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NOTICE OF ELECTED DIRECTORS

The following candidates submitted their nominations to the Secretary for the three (3) Board Position for 2022.

- Michael Mood
- John Brown
- Loretta Passerini

As all three (3) positions were filled, there will be no election held at the 2022 AGM on the 10th of May.

- Ian Bourke, President
- John Brown
- Michael Mood
- John Van Voorst
- Peter Kerr AM
- Grant Conway
- Loretta Passerini

I. BOURKE, President

S. McNEILL, Secretary



IAN BOURKE

President



JOHN BROWN

Vice President



KERRY CATTELL

Vice President
Resigned 11 May, 2021



GEOFF ROUT

Director/ Treasurer
Resigned 11 May, 2021



GORDON WILLIAMS

Director



MICHAEL MOOD

Director



PETER KERR AM

Director



JOHN VAN VOORST

Director



GRANT CONWAY

Director
Appointed 11 May, 2021

BOARD OF DIRECTORS

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NOTICE OF SPECIAL RESOLUTIONS

NOTICE is hereby given that at the Annual General Meeting of **CRONULLA RSL MEMORIAL CLUB LIMITED** to be held on **Tuesday 10 May 2022** commencing at 7.30pm at the premises of the Club, 38R Gerrale Street, Cronulla, New South Wales the members will be asked to consider and if thought fit pass the Special Resolution set out below.

PROCEDURAL MATTERS FOR SPECIAL RESOLUTIONS

1. To be passed, a Special Resolution must receive votes in favour from not less than three quarters (75%) of those members who, being eligible to do so, vote in person on the Special Resolution at the meeting.
2. **Only Life members, Financial Service, Club and Long Service members who in each case have been members of the Club for a period of at least 12 months, are eligible to vote on the Special Resolution.**
3. Under the Registered Clubs Act, members who are employees of the Club are not entitled to vote and proxy voting is prohibited.
4. The Board of the Club recommends the Special Resolution to members.

SPECIAL RESOLUTION

[The Special Resolution is to be read in conjunction with the notes to members set out below.]

That the Constitution of Cronulla RSL Memorial Club Limited be amended by:

- a. inserting new Rules 2.4 and 2.5 and renumbering the remaining provision:

"2.4 Every member is bound by and must comply with the Constitution and By-Laws of the Club and any other applicable determination, resolution or policy which may be made or passed by the Board.

2.5 The Constitution and By-laws of the Club have effect as a contract between.

 - a. *the Club and each member; and*
 - b. *the club and each director;*
 - c. *each member and each other member.*

under which each person agrees to observe and perform the Constitution and By-laws so far as they apply to that person."
- b. inserting the following new Rules 3.1(i), (o) and (q) and renumbering the remaining provisions of Rule 3.1 accordingly:
 - i. *"Financial member" means a member who has renewed their membership of the Club by the relevant due date, and/or who has paid all joining fees, subscriptions, levies and other payments to the Club by the relevant due dates (if any are required).*
 - o. *"Non-financial member" means a member who has not renewed their membership of the Club by the relevant due date, and/or has not paid all joining fees, subscriptions, levies, and other payments to the Club by the relevant due dates.*

- q. *"Quarter" means a period of 3 months ending on 31 March, 30 June, 30 September, or 31 December."*
- c. deleting Rule 3.2 and renumbering the remaining provision of Rule 3 accordingly.
- d. inserting new Rule 10.6A:

"10.6A For the purposes of section 246B of the Act, the rights of a class of membership may be varied or cancelled by way of eligible members passing a special resolution in accordance with Rule 47 and without the need for a separate resolution to be passed by members of that class of membership."
- e. inserting new Rule 12.5:

"The Secretary or senior employee then on duty may terminate the membership of any Provisional member at any time without notice and without having to provide any reason. If the membership of a Provisional member is terminated in accordance with this Rule, the Club must return any joining fee and annual subscription (if any) paid by the Provisional member when applying for membership of the Club."
- f. inserting the following new Rule 14.3 and renumbering the remaining provisions of Rule 14 accordingly:

"14.3 A person may be admitted to Temporary membership for a period of up to, but not exceeding seven (7) consecutive days (or such longer period as approved by the relevant regulatory body). A person admitted to Temporary membership under this Rule shall only be required to enter their relevant details in the register of Temporary members referred to in Rule 18.1(c) on the first day that they enter the Club's premises during that period."
- g. deleting Rule 14.6 and inserting new Rule 14.6:

"14.6 The Secretary or senior employee then on duty may refuse a person admission to the Club as a Temporary member and/or terminate the membership of any Temporary member at any time without notice and without having to provide any reason."
- h. inserting the following new Rules 15.4(c) and (d) and renumbering the remaining provisions of Rule 15.4 accordingly:
 - c. *"the email address of the applicant;*
 - d. *the telephone number of the applicant;"*
- i. deleting the existing Rule 15.4(d) *"occupation of the applicant"* and renumbering the remaining provisions of Rule 15.4 accordingly.
- j. inserting the words, *"(if any)"* after the words, *"first annual subscription"* in Rule 15.7.
- k. deleting from Rule 15.8 the words *"and address"*.
- l. deleting Rule 16.1 and inserting the following new Rule 16.1:

"16.1 For the purposes of section 30 (2B) of the Registered Clubs Act, the Board shall determine the joining fees, subscriptions, and other payments (excluding levies) payable by members of the Club."
- m. deleting Rule 16.3 and inserting the following new Rules 16.3:

"Any person elected during the financial year of the Club to any class of membership shall pay such proportion of the annual subscription as may be determined by the Board from time to time."
- n. inserting the words *"or who shall not have renewed their membership by the relevant renewed date"* after the words *"due date"* in Rule 16.5.
- o. deleting Rule 16.8 and inserting new Rule 16.8:

"Any Long Service member shall, from the first annual subscription renewal date after their 40 years continuous membership, only be

NOTICE OF SPECIAL RESOLUTIONS CONT.

required to pay such minimum annual subscription provided from time to time by the Registered Clubs Act.”

- p. deleting from Rule 17.1 the words “any member who is not a Financial Member (as defined in Rule 3.2)” and inserting the words “a Non-Financial member”.
- q. deleting Rule 18.1(a)(ii) and renumbering the remaining provisions of Rule 18.1(a).
- r. deleting the heading and Rule 19 and inserting the following new heading and Rule 19:
“19. NOTIFICATION TO CLUB REGARDING CHANGE IN MEMBER’S DETAILS
19.1 Every member must advise the Secretary of any change to their personal details (including their address, email address and telephone number) within seven (7) days of the change to their personal details.”
- s. inserting the following new Rule 20.2(a)(ii) and renumbering the remaining provision:
 - ii. “the particulars of the charge, including the alleged facts and circumstances which give rise to the charge against the member;”
- t. deleting from Rule 20.2(b) the words “by a prepaid letter posted to the member’s last known address”.
- u. inserting the following new Rule 20.2(c)(iv):
 - iv. “call witnesses provided that:
 - 1. if a proposed witness fails to attend the hearing or provide evidence at the hearing, the Board can still hear and determine the charge; and
 - 2. the Club cannot and will not force any person (including a member) proposed by the member charged as a witness to attend and provide evidence at the hearing. The member charged must act in an appropriate manner at the meeting (and in particular and without limitation, the member must not act in an offensive or disruptive manner).”
- v. inserting the following new Rules 20.2(d), (e), (g), (h), (i), (j) and (n) and renumbering the remaining provisions of Rule 20.2 accordingly:
 - d. “If the chairperson determines (in their absolute discretion) that the member charged is not acting in an appropriate manner, the chairperson may issue the member charged with a warning regarding the member’s conduct and advise the member that if the member fails to comply with the warning, the member may be asked to leave the meeting and the Board will continue to consider and deal with the charge in the absence of the member.
 - e. If the member charged does not comply with the warning given in accordance with paragraph (d) of this Rule, the chairperson (in their absolute discretion) may exclude the member charged from the meeting and continue to consider and deal with the charge in his or her absence.
 - g. After the Board has considered the evidence put before it, the Board may:

- i. immediately come to a decision as to the member’s guilt in relation to the charge; or
- ii. advise the member that the Board requires additional time to consider the evidence put before it in order to determine whether or not the member is guilty of the charge.
- h. After the Board has come to a decision as to the member’s guilt in relation to the charge it must:
 - i. in the case of a decision under Rule 19.2(g)(i) of this Rule, immediately inform the member of the Board’s decision; or
 - ii. in the case of a decision under Rule 19.2(g)(ii), inform the member of the Board’s decision in writing within seven (7) days of the date of the decision of the Board.
- i. If the member charged has been found guilty and is at the meeting, the member must be given a further opportunity at the meeting to address the Board in relation to an appropriate penalty for the charge of which the member has been found guilty. The Board shall, in its absolute discretion, determine whether or not the member will address the issue of penalty:
 - i. at the meeting or afterwards; and
 - ii. by way of verbal or written submissions or a combination thereof.
- j. After the Board has made a decision on the issue of penalty, the Board must advise the member of its decision.
- n. The Board may authorise the Secretary and other persons to attend the meeting to assist the Board in considering and dealing with the charge, but those persons shall not be entitled to vote at the meeting.”
- w. inserting new Rule 20.3 and renumbering the remaining provisions:

“The outcome of disciplinary proceedings shall not be invalidated or voided if the procedure set out in Rule 20.2 is not strictly complied with provided that there was no substantive injustice for the member charged.”
- x. deleting from new Rule 20.4 the words “or for five (5) weeks whichever is the sooner.”
- y. deleting existing Rule 20.5 and by inserting new Rules 20.5 to 20.9 and heading and renumbering the remaining provisions:
“Additional Disciplinary Powers of Secretary
20.5 If, in the opinion of the Secretary (or his or her delegate), a member has engaged in conduct that is unbecoming of a member or prejudicial to the interests of the Club, then the Secretary (or his or her delegate) may suspend the member from some or all rights and privileges as a member of the Club for a period of up to twelve (12) months.
20.6 In respect of any suspension pursuant to Rule 20.5, the requirements of Rules 20.1 to 20.2 shall not apply.
20.7 If the Secretary (or his or her delegate) exercises the power pursuant to Rule 20.5, the Secretary (or his or her delegate) must notify the member (by notice in writing) that:
 - a. the member has been suspended as a member of the Club; and
 - b. the period of suspension;
 - c. the privileges of membership which have been suspended; and
 - d. if the member wishes to do so, the member may request by notice in writing sent to the Secretary) the matter be dealt with by the Board pursuant to Rules 20.1 to 20.2.

NOTICE OF SPECIAL RESOLUTIONS CONT.

20.8 If a member submits a request under Rule 20.7(d):

- a. the member shall remain suspended until such time as the charge is heard and determined by the Board; and
- b. The Club must commence disciplinary proceedings against the member in accordance with the requirements of Rule 20.

20.9 The determination of the Board in respect of those disciplinary proceedings shall be in substitution for and to the exclusion of any suspension imposed by the Secretary (or his or her delegate)."

- z. inserting new Rule 27.3 and renumbering the remaining provisions:

"A member who:

- a. is an employee;
- b. is currently under suspension pursuant to Rule 19
- c. is not a Financial member;
- d. is disqualified from being a director by reason of any order or declaration made under the Act, Liquor Act, Registered Clubs Act or any other applicable legislation;
- e. is of unsound mind or whose person or estate is liable to be dealt with any way under the law relating to mental health;
- f. is prohibited from being a director by reason of any order or declaration made under the Act, Liquor Act, Registered Clubs Act or any other applicable legislation;
- g. has been convicted of an indictable offence (irrespective of whether or not a conviction was actually recorded) but it does not include a spent conviction (as defined in the Criminal Records Act 1991);
- h. has not been a Financial member of the Club for at least three (3) years immediately preceding the proposed date of election or appointment to the Board;
- i. was an employee of the Club during the three (3) years immediately preceding the proposed date of election or appointment to the Board.
- j. is a current contractor of the Club or a director, secretary, employee, or business owner of a contractor;
- k. was a contractor of the Club or a director, secretary, employee or business owner of a contractor immediately preceding the proposed date of election or appointment to the Board.
- l. has been found guilty of a disciplinary charge and suspended from membership of the Club for any period of time (but not including any provisional suspension pending a disciplinary hearing);
- m. is a director of another registered club which is located within the same local Government area as the Club,

- n. shall not be eligible to stand for or be elected or appointed to the Board."

- aa. deleting Rule 27.4 and inserting new Rule 27.4:

"Any person who is elected or appointed to the Board, must, unless exempted, complete such mandatory training requirements for directors as required by the Regulations made under the Registered Clubs Act."

- ab. inserting new Rule 27.5:

"A member shall not be entitled to be elected or appointed to the Board if he or she does not hold a director Identification Number on the proposed date of election or appointment to the Board."

- ac. inserting new Rules 28.1(e) to (h) and renumbering the remaining provisions:

- e. "Candidates are responsible for ensuring that they have correctly completed their nomination form and the Club is not required to notify candidates of an incorrectly completed nomination form.
- f. The receipt of a nomination form by the Club does not constitute an acknowledgement by the Club that the information form has been completed correctly.
- g. The failure to complete the nomination form correctly may result in a candidate being ineligible to nominate for election to the Board.
- h. A nomination can be withdrawn:
 - i. by the nominee at any time prior to the commencement of voting; and
 - ii. by the Club at any time if the nominee has failed to correctly complete the nomination form and/or the nominee is ineligible to nominate for or be elected to the Board. An eligible member may be nominated for more than one office."

- ad. inserting new Rule 28.3 and renumbering the remaining provisions:

"The election of the Board (including without limitation, the results of the election of the Board) shall not be invalidated or voided if the procedure in Rule 28.1 is not strictly complied with provided there is no substantive injustice for any candidates."

- ae. inserting new Rule 29.11(f):

"dissolve Sub clubs or remove committee members from office of Sub clubs."

- af. deleting Rule 30.1 and inserting new Rule 30.1:

"The Board may meet together in person and/or by electronic means for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit provided that the Board shall meet at least once in each Quarter for the transaction of business."

- ag. inserting new heading and Rules 32.13 and 32.14 and renumbering the remaining provision accordingly:

"TRAINING DISCLOSURES

32.13 The Club must make available to members:

- a. details of any training which has been completed by directors, the Secretary and managers of the Club in accordance with the Registered Clubs Regulation; and
- b. the reasons for any exemptions of directors, the Secretary or managers from undertaking the training prescribed by the Registered Clubs Regulation.

32.14 The Club must indicate, by displaying a notice on the Club's premises and on the Club's website (if any), how the members of the

NOTICE OF SPECIAL RESOLUTIONS CONT.

Club can access the information."

- ah. inserting the following new Rules 35.1(a) and (j) to (p) inclusive as follows:
 - a. "dies;
 - j. was not eligible to stand for or be elected or appointed to the Board.
 - k. ceases to hold the necessary qualifications to be elected or appointed to the Board.
 - l. is convicted of an indictable offence (unless no conviction is recorded).
 - m. is not a Financial member of the Club.
 - n. is found guilty of a disciplinary charge and suspended from membership of the Club for a period exceeding three (3) months.
 - o. is removed from office as a director in accordance with the Act and this Constitution.
 - p. does not hold a Director Identification Number (unless exempted from doing so)."
- ai. inserting new Rules 36.5 to 36.8 inclusive and renumbering the remaining provisions accordingly:

"36.5 The Board may cancel or postpone any general meeting prior to the date on which it is to be held, except where such cancellation or postponement would be contrary to the Act. The Board may give such notice of the cancellation or postponement as it thinks fit but any failure to give notice of the cancellation or postponement does not invalidate the cancellation or postponement or any resolution passed at a postponed meeting. This Rule will not operate in relation to a meeting called pursuant to a request or requisition of members.

36.6 The Board may withdraw any resolution which has been proposed by the Board and which is to be considered at a general meeting, except where the withdrawal of such a resolution would be contrary to the Act.

36.7 The Club may hold a general meeting (including Annual General Meeting) at two (2) or more venues using any technology that gives the members as a whole a reasonable opportunity to participate at the meeting.

36.8 If permitted by the Act, the Club may hold virtual only general meetings or Annual General Meetings. The provisions of the Act shall apply to such meetings and to the extent of any inconsistencies between the Act and the Constitution, the provisions of the Act shall prevail."
- aj. inserting new Rule 36.22 as follows:

"36.22 The chairperson:

 - a. is responsible for the conduct of the general meeting; and
 - b. shall determine the procedures to be adopted and followed at the meeting;

- c. may refuse a member admission to a general meeting or require a member to leave a general meeting if in his or her opinion, the member is not complying with reasonable directions and/or is acting in an offensive and disruptive manner at the meeting."
- ak. deleting Rules 44.1 to 44.2 inclusive and inserting the following new Rules 44.1 to 44.4 inclusive:
 - al. "44.1 A notice may be given by the Club to any member either:
 - a. personally; or
 - b. by sending it by post to the address of the member;
 - c. by sending it to the electronic address (if any) of the member;
 - d. by notifying the member in accordance with Rule 44.2 (in the case of notices of general meetings (including Annual General Meetings) only).
 - 44.2 If the member nominates:
 - a. an electronic means (the nominated notification means) by which the member may be notified that notices of meeting are available; and
 - b. an electronic means (the nominated access means) the member may use to access notices of meeting;

the Club may give the member notice of the meeting by notifying the member (using the nominated notification means);

 - c. that the notice of meeting is available; and
 - d. how the member may use the nominated access means to access the notice of meeting.
 - 44.3 Where a notice is sent to a member in accordance with Rule 44.1, the notice shall be deemed to have been received by the member on the day following that on which the notice was sent,
 - 44.4 Where a notice of general meeting (including Annual General Meeting) is sent to a member in accordance with Rule 44.2, the notice is taken to be given on the day following that on which the member is notified that the notice of meeting is available."
- al. inserting new heading and Rule 48 as follows:

"48. MEETINGS AND VOTING

48.1 In accordance with section 30C (3) of the Registered Clubs Act, the Club, the Board, or a committee of the Club may (but is not required to):

 - a. distribute a notice of, or information about, a meeting or election of the Club, the Board, or a committee of the Club by electronic means, and/or
 - b. hold a meeting at which all or some persons attend by electronic means but only if a person who speaks at the meeting can be heard by the other persons attending;
 - c. allow a person entitled to vote at a meeting of the Club, the Board, or a committee of the Club to vote in person or by electronic means.

48.2 If there is any inconsistency between Rule 48.1 and any other provision of this Constitution, Rule 48.1 shall prevail to the extent of that inconsistency."

NOTES TO MEMBERS ON THE SPECIAL RESOLUTION

- 1. The Special Resolution proposes a series of amendments to the Club's Constitution to bring it into line with best practice and the requirements of the Corporations Act, Liquor Act and Registered Clubs Act (RCA).

NOTICE OF SPECIAL RESOLUTIONS CONT.

2. Paragraph (a) amends Rule 2 to clarify that each member is bound by the Constitution, and it operates as a contract between the Club and each member, the Club and each Director and between each member and each other member.
3. Paragraphs (b) and (c) amend the definitions used in the Constitution.
4. Paragraph (d) adds in a new Rule 10.6A to clarify the process for changes in membership rights.
5. Paragraph (e) relates to Provisional membership including allowing for the removal of a Provisional member from the Club's premises.
6. Paragraphs (f) and (g) relate to changes to Temporary membership to bring the Constitution into line with the RCA.
7. Paragraphs (h) (i) (j) and (k) adopt recent amendments to the RCA which remove the requirement to obtain details of a new members occupation and having to put the address on the Notice board for a new member. The club will also collect the email address and mobile number for new members.
8. Paragraphs (l) (m) (n), and (o) amend the provision dealing with member subscriptions to remove the requirement to charge an annual subscription fee of no less than a minimum of \$2.00. This requirement has recently been removed from the RCA.
9. Paragraph (p) inserts the definition of "Non-Financial member" in the rule dealing with the impact on the rights of a member when they become Non-Financial.
10. Paragraph (q) amends the membership register requirements to reflect the RCA.
11. Paragraph (r) clarifies that members must notify the Club of changes to their contact details.
12. Paragraphs (s) to (w) inclusive amend the existing provisions relating to disciplinary matters to bring the Constitution into line with best practice.
13. Paragraph (x) amends the provision dealing with the provisional suspension of membership pending a disciplinary hearing in rule 19.4 so that the provisional suspension will last until the hearing of the disciplinary hearing and not end within 5 weeks if the hearing has not taken place.
14. Paragraph (y) will introduce new rules 20.5 to 20.9 giving additional power to the Secretary to discipline members and give a suspension for up to 12 months with the right for the member to request that the matter be heard before the Board in the usual way.
15. Paragraph (z) sets out additional grounds upon which a member will be ineligible to be elected to the board including if they are a contractor to the Club or an employee of a contractor or if they are a director of another registered club located within the same Local Government area as the club.
16. Paragraph (aa) updates Rule 27.4 dealing with mandatory training for Directors.

17. Paragraph (bb) inserts a new rule 27.5 which requires all directors to have a Director Identification Number as required under the Corporations Act.
18. Paragraphs (cc) and (dd) simply clarifies that it is the responsibility of every nominee for election to the Board to ensure that their nomination is correct and also that a failure to strictly follow all the procedures in the Constitution in relation to the election of the board does not invalidate the election process.
19. Paragraph (ee) amends existing provisions relating to the powers of the Board to bring the Constitution into line with best practice. The powers of the Board remain unchanged.
20. Paragraph (ff) amends existing Rule to allow the Board to meet whenever required but at least once every 3 months. This reflects a recent change to the RCA which removed the requirement for the board of a club to meet at least once a month and replaced it with a requirement to meet at least once every 3 months.
21. Paragraph (gg) amends existing provisions relating to corporate governance and accountability to bring the Constitution into line with the Registered Clubs Act and the provisions of the Accountability Code which applies to all registered clubs and is set out in Schedule 2 of the Registered Clubs Regulation.
22. Paragraph (hh) amends Rule 35.1 which deals with the grounds upon which a casual vacancy on the Board of the Club will arise.
23. Paragraph (ii) adds in new rules 36.5 to 36.8 inclusive relating to general meetings (including Annual General Meetings) including giving the Board the power to cancel or postpone a meeting except one called at the request of members to bring the Constitution into line with the Corporations Act.
24. Paragraph (jj) adds a new Rule 36.22 which sets out the powers of the chairperson of a general meeting in more detail which reflects the general law.
25. Paragraph (kk) amends existing provisions regarding notices to members to bring the Constitution into line with the Corporations Act.
26. Paragraph (ll) adds a new Rule 48 which reflects recent changes to the RCA including allowing the Club to send Notice of a general meeting and documents relating to a meeting electronically.

DATED: 10 MAY 2022
BY DIRECTION OF THE BOARD
SUE MCNEILL
SECRETARY

FIRST ORDINARY RESOLUTION

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- a. That the members hereby approve expenditure by the Club, until the next Annual General Meeting of the Club, for the following:
 - I. The reasonable costs of Directors attending seminars, lectures and other educational activities (including Directors Mandatory training required under Clubs NSW continuing Professional Development Programme) as determined by the Board from time to time.
 - II. The reasonable costs (including travel and accommodation expenses) of Directors attending meetings, conferences and trade shows conducted by Clubs NSW, the Club Managers Association and such other conferences and trade shows, as determined by the Board from time to time.
 - III. The reasonable cost of Directors attending any other registered club for the purpose of viewing and assessing its facilities, as determined by the Board as being necessary for the benefit of the Club.
 - IV. The reasonable cost of Directors (and their spouses/partners if required) attending any club, conference, community or charity function as the representatives of the Club and authorised, by the Board, to do so.
 - V. The reimbursement of reasonable out of pocket expenses incurred by Directors travelling to and from Board meetings, or other duly constituted meetings of any committee of the Board.
 - VI. The reasonable cost of meals and beverages, for each Director, before and after a Board or committee meeting, on the day of that meeting when such meeting coincides with a normal meal time.
 - VII. The reasonable expenses incurred by Directors, either within the Club or elsewhere in relation to such other duties including entertainment of special guests of the Club and other promotional activities approved by the Board, on production of documentary evidence of such expenditure.
 - VIII. The reasonable cost of Club blazers/uniforms being provided to Directors, as required.
 - IX. The provision of designated car parking spaces for Directors and Sub Branch Executive in the Club's car park.
 - X. The reasonable cost of an annual dinner for Directors and their spouses/partners and other invited guests.
- b. The members acknowledge that the benefits in paragraph (a) are not available for members generally but are only for those who are Directors of the Club.

NOTES TO MEMBERS ON FIRST ORDINARY RESOLUTION

1. The First Ordinary Resolution is to have the members in general meeting approve expenditure by the Club for Directors to attend seminars, lectures, trade displays and other similar events to be kept abreast of current trends and developments, which may have a significant bearing on the Club and for other out of pocket expenses.
2. Included in the First Ordinary Resolution is the cost of Directors attending functions as representatives of the Club and, if required, the costs of their spouses/partners also attending those functions.
3. As the provisions are not contained in the Constitution, the First Ordinary Resolution must be considered to ensure the Club is permitted to incur the costs set out in the First Ordinary Resolution for the ensuing 12 months.

SECOND ORDINARY RESOLUTION

- a. That the members approve the payment of \$94,000 as the total honorarium to Directors in recompense for services to the Club until the Annual General Meeting in 2023. The amount will be divided amongst the office holders as they decide is appropriate and if desired.
- b. Such amounts will be paid in total or in instalments as they may individually decide.
- c. Should any Directors hold office for less than the full term, the amount shall be paid on a pro-rata basis.

NOTES TO MEMBERS ON SECOND ORDINARY RESOLUTION

1. The Second Ordinary Resolution proposes that the members approve a payment to Directors for their considerable contribution to their duties until the next Annual General Meeting.
2. These provisions are not contained in the Constitution and members must decide annually on the recompense to Directors for each year.
3. This Resolution allows the Board to determine the appropriate split of the amount approved each year which will reflect the vastly different contribution made by individual Directors from year to year.
4. There is no increase in total honorarium from that agreed by members at the 2021 AGM.

SECOND ORDINARY RESOLUTION

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COMMUNITY

We have enjoyed hosting a number of sub-clubs and in turn supporting those activities in our community. These are a great opportunity for our members to make new friends, stay active and healthy.

- Cronulla RSL Football Club (1)
- Cronulla RSL Hockey Club (2)
- Cronulla RSL Softball Club
- Cronulla RSL Netball Club
- Cronulla RSL Swimming Club
- Cronulla RSL Motoring Enthusiasts Group
- Cronulla RSL Golf Club
- Cronulla RSL Table Tennis Club
- Cronulla RSL 55 & Over Club
- Cronulla RSL Indoor Bowling Club
- Cronulla RSL Chess Club

We strive to deliver valuable and meaningful support to our members and the people of our community. We have provided sponsorship, by way of cash and in-kind support to many community organisations who in turn support our local Sutherland Shire region.

- Michael Tynan Walk to Work (3)
- Jazz & Blues Festival (4)
- Plastic Free Cronulla
- Cronulla Point Boardriders (5)
- South Side Malibu
- Cronulla Girls Boardriders (6)
- Southside Lady Longboarders
- Cronulla Sharks Waterpolo
- Rotary Cronulla
- Cronulla RSL Toastmasters



CLUB GRANTS

For the year ending 31st August 2021, Cronulla RSL donated a total of \$164,737 in Club Grants.

Our worthy recipients of the 2021 Clubs Grants included:

CATEGORY 1

- Learning Links
- Cronulla Community Café (1)
- Esplanade Walkway
- Active Living (2)
- War Widows

CATEGORY 2

- 2SSR Radio
- St Francis De Sales Catholic Primary School
- Burraneer Bay Public School
- Cronulla Primary School
- Cronulla South Public School
- Kurnell Public School
- St Aloysius Primary School
- Cronulla High School
- De La Salle Catholic College Caringbah
- Woolooware High School
- Trees Of Hope (3)
- Catamaran Club
- Over 55s (4)
- RSL Table Tennis Club (5)
- Sub Branch



DIRECTORS REPORT

FOR THE YEAR ENDED
31 DECEMBER, 2021

Your Directors present their report on the company for the year ended 31 December, 2021.

DIRECTORS

The names of Directors of the company during the financial year and at the date of this report are:

| Name | Position | No. years as Director of company | Director Meetings | |
|---------------------------|--|----------------------------------|--------------------|-------------------|
| | | | Eligible to attend | Meetings attended |
| Ian BOURKE | President | 19 | 12 | 12 |
| Kerry Arthur CATTELL | Director; resigned 11 May, 2021 | 12 | 4 | 3 |
| Kenneth John BROWN | Vice President | 13 | 12 | 12 |
| Geoffrey Robert ROUT | Director/ Treasurer; resigned 11 May, 2021 | 20 | 4 | 4 |
| Gordon Frederick WILLIAMS | Director | 19 | 12 | 12 |
| Michael Arthur MOOD | Director | 11 | 12 | 11 |
| Peter Henry KERR | Director | 4 | 12 | 12 |
| John William VAN VOORST | Director | 5 | 12 | 12 |
| Grant Sidney CONWAY | Director; appointed 11 May, 2021 | - | 8 | 7 |

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

The company is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the company is wound up, the Constitution of the company states that each member is required to contribute a maximum of \$1 toward meeting any outstanding obligations of the entity. As at 31 December, 2021, the total amount that members of the company were liable to contribute if the company was wound up is \$29,611 (2020:\$38,056).

COMPANY SECRETARY

Mrs Susan McNeill was appointed Company Secretary and Chief Executive Officer of the company on 2 October, 2015.

PRINCIPAL ACTIVITIES

The principal activities of the company during the financial year were the operation of a licensed club providing social and sporting activities for members and their guests. There were no significant changes in the nature of the company activities during the year.

OPERATING RESULTS

The operating profit before tax of the company for the year amounted to \$470,403 (2020: \$1,727,105).

SHORT AND LONG TERM OBJECTIVES

The principal long and short term objectives of the company are to operate a licensed social club for the use of the members and their guests.

STRATEGY FOR ACHIEVING THE OBJECTIVES

The Board of Directors and management regularly address cash flow forecasts and apply budgetary controls to monitor the financial condition of the company.

CORE AND NON-CORE PROPERTIES

The Directors determine that the following properties are core property of the company, under the Registered Clubs Act 1976 (NSW):

- 38 Gerrale Street, Cronulla, NSW 2230
- 109-113 Gerrale Street, Cronulla, NSW 2230 (Car Park)

The company has no non-core property.

AUDITOR INDEPENDENCE DECLARATION

The Auditor Independence Declaration for the year ended 31 December, 2021 has been received and can be found on page 3 of this financial report.

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



IAN BOURKE
PRESIDENT

Dated this 22nd day of March, 2022.

BUSINESS PARTNER ACCOUNTANTS

ABN 31 254 110 993

Chartered Accountants and Business Advisors

PO Box 634
Miranda NSW 1490

Principal: Mark J. Lennon B.Comm., FCA

Suite 6, First Floor
525 Kingsway
(Cnr. Clubb Cr.)
Miranda NSW 2228

E-mail: info@bpaccountants.com.au

Tel: (02) 9524 2966
Fax: (02) 9524 2933

AUDITOR INDEPENDENCE DECLARATION

To the Directors of Cronulla R.S.L. Memorial Club Limited:-

In relation to our audit of the annual report of Cronulla R.S.L. Memorial Club Limited for the year ended 31 December, 2021, we declare that, to the best of our knowledge and belief, there have been:

(i) no contraventions of the auditor independence requirements of 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.

Business Partner Accountants
Business Partner Accountants
Chartered Accountants

Mark J. Lennon
Mark J. Lennon

Dated this 22nd day of March, 2022.

AUDITOR INDEPENDENCE DECLARATION

FOR THE YEAR ENDED
31 DECEMBER, 2021

| | Note | 2021 \$ | 2020 \$ |
|--|----------------|-------------------|-------------------|
| Sales revenue | 2(a) | 10,326,750 | 11,676,888 |
| Other revenue | 2(b) | 321,482 | 1,452,025 |
| Net operating revenue | | 10,648,232 | 13,128,913 |
| Expenses | | | |
| Cost of goods sold | 3(a) | 1,717,017 | 1,814,463 |
| Trading expenses | 3(b) | 3,053,179 | 3,435,825 |
| Administration and general expenses | 3(c) | 3,861,698 | 4,544,233 |
| Clubhouse expenses | 3(d) | 874,968 | 986,381 |
| Finance costs | 3(e) | 9,878 | 30,260 |
| Social, sporting and amenities expenses | 3(f) | 661,089 | 590,646 |
| Total expenses | | 10,177,829 | 11,401,808 |
| Profit before income tax | | 470,403 | 1,727,105 |
| Income tax expense | Note 4 | - | - |
| Profit after income tax | Note 16 | 470,403 | 1,727,105 |
| Other comprehensive income | | | |
| Items that will not be re-classified subsequently to profit or loss: | | | |
| Gain arising from independent valuation of freehold land (income tax applicable - \$Nil) | | - | - |
| Total other comprehensive income for the year | | - | - |
| Total comprehensive income for the year | | 470,403 | 1,727,105 |
| Profit attributable to members of the company | | 470,403 | 1,727,105 |
| Total comprehensive income attributable to members of the company | | 470,403 | 1,727,105 |

The accompanying notes form part of these financial statements

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED
31 DECEMBER, 2021

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED
31 DECEMBER, 2021

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| | Note | 2021 \$ | 2020 \$ |
|---|---------|-------------------|-------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | Note 5 | 5,210,820 | 5,048,695 |
| Trade and other receivables | Note 6 | 229,431 | 39,518 |
| Inventories | Note 7 | 208,778 | 170,738 |
| Other assets | Note 8 | 315,929 | 347,709 |
| Total current assets | | 5,964,958 | 5,606,660 |
| Non-current assets | | | |
| Property, plant and equipment | Note 9 | 47,536,347 | 48,773,815 |
| Other non-current assets | Note 8 | 61,395 | 46,752 |
| Total non-current assets | | 47,597,742 | 48,820,567 |
| Total assets | | 53,562,700 | 54,427,227 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | Note 10 | 1,395,686 | 1,347,914 |
| Current portion of long-term borrowings | Note 11 | 1,476,000 | 1,200,000 |
| Provisions | Note 12 | 284,907 | 219,024 |
| Other current liabilities | Note 13 | 395,186 | 395,060 |
| Total current liabilities | | 3,551,779 | 3,161,998 |
| Non-current liabilities | | | |
| Long-term borrowings | Note 11 | 3,717,061 | 5,467,263 |
| Provisions | Note 12 | 80,066 | 54,575 |
| Total non-current liabilities | | 3,797,127 | 5,521,838 |
| Total liabilities | | 7,348,906 | 8,683,836 |
| Net assets | | 46,213,794 | 45,743,391 |
| EQUITY | | | |
| Retained earnings | Note 15 | 15,420,758 | 14,950,355 |
| Reserves | Note 14 | 30,793,036 | 30,793,036 |
| Total equity | | 46,213,794 | 45,743,391 |

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED
31 DECEMBER, 2021

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| | Retained Earnings \$ | Asset Revaluation Reserve \$ | Total \$ |
|---|----------------------------|---------------------------------------|-------------------|
| Balance as at 31 December, 2019 | 13,223,250 | 30,793,036 | 44,016,286 |
| Profit for the year ended 31 December, 2020 | 1,727,105 | - | 1,727,105 |
| Other comprehensive income | | | |
| - gain on revaluation of land | - | - | - |
| Balance as at 31 December, 2020 | 14,950,355 | 30,793,036 | 45,743,391 |
| Profit for the year ended 31 December, 2021 | 470,403 | - | 470,403 |
| Balance as at 31 December, 2021 | 15,420,758 | 30,793,036 | 46,213,794 |

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED
31 DECEMBER, 2021

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| | Note | 2021 \$ | 2020 \$ |
|---|--------------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Cash receipts from operations | | 11,501,352 | 14,187,572 |
| Payments to suppliers and employees | | (9,324,840) | (11,013,525) |
| Interest received | | - | - |
| Interest paid | | (9,878) | (30,260) |
| Net cash inflow (outflow) from operating activities | 16(a) | 2,166,634 | 3,143,787 |
| Cash flows from investing activities | | | |
| Payment for property, plant and equipment | | (578,307) | (1,289,544) |
| Proceeds from sale of plant and equipment | | 48,000 | 64,182 |
| Net cash inflow (outflow) from investing activities | | (530,307) | (1,225,362) |
| Cash flows from financing activities | | | |
| Net increase (decrease) in borrowings | | (1,474,202) | (151,865) |
| Net cash inflow (outflow) from financing activities | | (1,474,202) | (151,865) |
| Net increase (decrease) in cash and cash equivalents | | 162,125 | 1,766,560 |
| Cash and cash equivalents at start of the financial year | | 5,048,695 | 3,282,135 |
| Cash and cash equivalents at end of year | 16(b) | 5,210,820 | 5,048,695 |

The accompanying notes form part of these financial statements

The financial statements are for Cronulla R.S.L. Memorial Club Limited as an individual entity, incorporated and operating in the State of New South Wales, Australia. Cronulla R.S.L. Memorial Club Limited is incorporated as a company limited by guarantee.

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

- a. Basis of Preparation
Cronulla R.S.L. Memorial Club Limited has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australia Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 July, 2011.

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 and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable 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 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 amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 22nd day of March, 2022 by the Directors of the company.

- b. Accounting policies
The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

- i. Revenue
Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, duties and amount of Goods and Services Tax (GST). Revenue is recognised for the major business activities as follows:

Sales revenue

Sales revenue comprises revenue earned from the provision of food, beverage and other goods and is recognised when the goods are delivered.

Interest revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Commission revenue

Commission revenue is recognised when control of a right to receive consideration for the provision of services has been attained.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER, 2021

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Poker machine takings

Poker machine revenue is recognised when net takings from the poker machines are recorded.

Rendering of services

Revenue from rendering of services comprises revenue from gaming facilities together with other services to members and other patrons of the club and is recognised when the services are provided.

Government grants and incentives

Government grant and incentive income is recorded as received.

ii. Income tax

The charge for current income tax expense is based on the portion of profit attributable to non-members, income from third parties and investment income. The balance of net income is not taxable under the mutuality principle as determined in accordance with the Income Tax Assessment Act 1997.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recording of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Comprehensive Income except where it relates to items that may be credited directly to Equity, in which case the deferred tax is adjusted directly against Equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account, or which may be realised in the future, is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred income tax asset has not been recognised in these accounts on the basis that future tax profits may not be available, with certainty, against which deductible temporary differences can be utilised.

iii. Property, plant & equipment

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

Property

Freehold land is shown at its fair value, based on periodic valuations by an external independent valuer. Buildings were previously recorded at cost, including costs of improvements, but as at 31 December 2017, buildings have been valued at fair value as determined by an external independent valuer, less a provision for amortisation since the valuation conducted 5 December, 2013.

Plant and equipment

Plant and equipment, comprising the plant and equipment, fixtures and fittings, poker machines and motor vehicles, are measured on the cost basis less depreciation and impairment losses.

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 which will be received from the asset employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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

Depreciation

The depreciable amounts of all fixed assets, including building improvements and capitalised leased assets, but excluding land and buildings, are depreciated on a straight-line basis over their useful lives to the company commencing from the time the asset is held ready for use.

Building improvements have been, and will continue to be, depreciated in accordance with Australian Accounting Standard "AASB 116: Property, Plant and Equipment".

The depreciation rates used for each class of depreciable assets are

| Class of fixed assets | Depreciation Rate |
|---|-------------------|
| Building (at valuation, plus subsequent costs – Note 9) | 2.72% to 20% |
| Plant and equipment | 2.5% to 33.3% |
| Furniture and fittings | 1% to 27% |
| Motor vehicles | 8.33% to 25% |
| Poker Machines | 20% to 27% |

The asset residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Each asset class carrying amount is written down immediately to its recoverable amount if the class carrying amount is greater than its estimated recoverable amount.

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 surplus relating to that asset will be transferred to retained earnings.

iv. Employee benefits

Provision is made for company liability for employee entitlement benefits arising from services rendered by the employees to the end of the reporting date. Employee entitlements that are expected to be settled within one year have been measured at the amounts

NOTES TO THE FINANCIAL STATEMENTS CONT.

FOR THE YEAR ENDED
31 DECEMBER, 2021

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expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Contributions are made by the entity to employee superannuation funds and are charged as expenses when incurred.

v. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset but not legal ownership are transferred to the company, are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

vi. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Short-term deposits at bank are shown within Financial Assets in current assets on the Statement of Financial Position

vii. Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Collectability of trade receivables is reviewed on an on-going basis. Debts which are known to be uncollectible are written-off. A provision for doubtful debts is established when there is objective evidence that the company may not be able to collect all amounts due according to the original terms of receivables.

viii. 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"). In these circumstances the GST is recognised as part of the cost of acquisition of an asset or as part of an item of expenses. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis, except for the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO. The GST component of financing and investing

activities which is recoverable from, or payable to, the ATO is classified as a part of operating cash flows. Accordingly, investing and financing cash flows are presented in the Statement of Cash Flows net of GST that is recoverable from, or payable, to the ATO.

ix. Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis.

x. Trade and other payables

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

xi. Provisions

Provisions are recognised when the entity 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.

xii. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e., trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Where applicable, amortised cost would be calculated as:

- the amount at which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- less any reduction for impairment.

Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group

NOTES TO THE FINANCIAL STATEMENTS CONT.

FOR THE YEAR ENDED
31 DECEMBER, 2021

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of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. The company has no such assets, other than in cash, or cash equivalent form.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, in which case they are classified as non-current assets.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, in which case they are classified as current assets.

If during the period the company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. The company has no such assets.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed within twelve months after the end of the reporting period, in which case they are classified as current assets.

Financial liabilities

Non-derivative financial liabilities, excluding financial guarantees, are subsequently measured at amortised cost.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's-length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Statement of Comprehensive Income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. 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.

xiii. Impairment of assets

At the end of each reporting period, the entity 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 expensed to the Statement of Comprehensive Income.

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 entity 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 a class of assets, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belongs.

Where an impairment loss on a re-valued asset is identified, this is debited against the 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 same class of asset.

xiv. 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 both externally and within the company.

Key estimates - Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company which may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of an asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

xv. Comparative figures

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

IMPACT OF COVID-19

These financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business for a period of at least twelve months from the date of approval of

these financial statements.

The Club notes the unpredictability of the COVID-19 situation, and the potential impact on the going concern basis of preparation. During the 2020 and 2021 financial years the Government announced the forced closure of certain businesses including registered and licensed clubs.

These closures, and the subsequent transition to reopening, had a significant impact on the Club's operating cash flows for the reporting periods ended 31 December, 2020 and 2021. As a result, there was a high degree of uncertainty associated with forecasting cash flows during the financial years covered by this report.

However, the directors believe there are reasonable grounds to conclude the company will continue as a going concern on the basis of the performance for the year to date and subsequent to year end, including its current year-end cash balances.

The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the company be unable to continue as a going concern and meet its debts as and when they fall due.

NOTE 2 -REVENUE FROM ORDINARY ACTIVITIES

a. Revenue from continuing operations

Sales revenue

| | 2021 \$ | 2020 \$ |
|-----------------|------------------|------------------|
| Bar sales | 4,192,343 | 4,948,803 |
| Cigarette sales | - | 2,358 |
| Surf Club sales | 54,300 | - |
| | <u>4,246,643</u> | <u>4,951,161</u> |

Revenue from gambling facilities

| | 2021 \$ | 2020 \$ |
|---------------------------|------------------|------------------|
| Net poker machine takings | 4,628,840 | 5,451,192 |
| Keno and TAB commission | 153,039 | 94,984 |
| Bingo and raffle income | 260,809 | 161,500 |
| | <u>5,042,688</u> | <u>5,707,676</u> |

Revenue from rendering of services

| | 2021 \$ | 2020 \$ |
|----------------------|----------------|----------------|
| Bowling club levies | 4,123 | 3,732 |
| Commission received | 2,618 | 2,580 |
| Member subscriptions | 271,078 | 294,592 |
| Service charges | 133,427 | 86,925 |
| | <u>411,246</u> | <u>387,829</u> |

NOTE 2 -REVENUE FROM ORDINARY ACTIVITIES CONT.

| | 2021 \$ | 2020 \$ |
|--|----------------|----------------|
| Other revenue | | |
| Rent | 263,649 | 263,981 |
| Net income - functions catering | 344,034 | 202,414 |
| Government subsidies received | 17,180 | 17,180 |
| Rebates | - | 93,223 |
| Sundry income | 1,310 | 4,135 |
| Insurance claim recoveries | - | 49,289 |
| | <u>626,173</u> | <u>630,222</u> |
| Total gross revenue from ordinary activities | 10,326,750 | 11,676,888 |

b. Other income

| | 2021 \$ | 2020 \$ |
|--|----------------|------------------|
| Interest received | - | - |
| Profit from sale of non-current assets | 47,654 | 59,594 |
| Government COVID-19 incentives | 273,828 | 1,392,431 |
| Total Other Income | <u>321,482</u> | <u>1,452,025</u> |

NOTE 3 -EXPENSES

a. Cost of goods sold

| | 2021 \$ | 2020 \$ |
|-------------|------------------|------------------|
| Bar trading | 1,717,017 | 1,814,463 |
| | <u>1,717,017</u> | <u>1,814,463</u> |

b. Trading expenses

| | 2021 \$ | 2020 \$ |
|-----------------------|------------------|------------------|
| Bar trading | 990,049 | 1,054,817 |
| Poker machine trading | 1,956,735 | 2,277,645 |
| Coffee shop trading | 2,118 | 2,118 |
| Keno and TAB trading | 29,485 | 31,924 |
| Catering trading | 74,792 | 69,321 |
| | <u>3,053,179</u> | <u>3,435,825</u> |

NOTES TO THE FINANCIAL STATEMENTS CONT.

FOR THE YEAR ENDED
31 DECEMBER, 2021

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NOTE 3 -EXPENSES CONTINUED

| | 2021 \$ | 2020 \$ |
|---|------------------|------------------|
| c. Administration and general expenses | | |
| Advertising | 30,580 | 20,323 |
| Allowances | 74,000 | 74,000 |
| Audit and accountancy fees | 27,083 | 34,471 |
| Bank fees and charges | 64,086 | 62,749 |
| Borrowing expenses | 129,244 | 143,630 |
| Club cards | 13,455 | 12,986 |
| Computer software and support costs | 13,676 | 8,477 |
| Consultants fees | - | 330 |
| COVID expenses | 125,368 | 912,762 |
| Depreciation | 1,062,251 | 978,556 |
| Employee leave entitlements | 245,163 | 229,982 |
| Flowers, decorations and floral tributes | 3,865 | 6,787 |
| Fringe benefits tax | - | 5,104 |
| Insurance | 250,729 | 217,852 |
| Legal costs | 27,732 | 6,276 |
| Licences | 2,182 | 2,968 |
| Loss on disposal of depreciable assets | - | 866 |
| Motor vehicle expenses | 6,488 | 7,142 |
| Payroll tax | 82,328 | 86,126 |
| Printing, stationery and postage | 21,205 | 19,558 |
| Rates and taxes | 137,627 | 150,089 |
| Salaries | 444,643 | 445,638 |
| Security | 182,955 | 192,343 |
| Seminars, conferences and travel | 325 | 110 |
| Subscriptions, journals | 13,105 | 13,459 |
| Sundry expenses | 18,177 | 6,651 |
| Superannuation | 242,163 | 259,021 |
| Telephone | 8,074 | 9,842 |
| Wages | 635,194 | 636,135 |
| | 3,861,698 | 4,544,233 |

NOTE 3 -EXPENSES CONTINUED

| | 2021 \$ | 2020 \$ |
|---|----------------|----------------|
| d. Clubhouse expenses | | |
| Cleaning | 273,908 | 334,789 |
| Club merchandise | - | 1,901 |
| Grants and donations | 67,586 | 66,276 |
| Light and power | 179,674 | 212,316 |
| Repairs and maintenance | 126,594 | 157,289 |
| Staff expenses | 35,391 | 41,700 |
| Staff training | 5,392 | 9,699 |
| Wages | 186,423 | 162,411 |
| | 874,968 | 986,381 |
| e. Finance costs | | |
| Interest-bank | 9,878 | 30,260 |
| | 9,878 | 30,260 |
| f. Social, sporting and amenities expenses | | |
| Bowling greens maintenance | 6,173 | 7,845 |
| Club Sky Channel expenses | 15,402 | 15,253 |
| Depreciation | 980 | 1,115 |
| Entertainment | 8,763 | 2,834 |
| Functions and promotions | 398,909 | 313,780 |
| Meeting expenses | 9,465 | 14,592 |
| Pay-television expenses | 37,860 | 44,237 |
| Storage costs | 5,449 | 6,357 |
| Points awarded | 80,747 | 87,132 |
| Mahalo program points | 64,566 | 69,067 |
| Subsidy to Affiliated Organisations Council | - | - |
| Wages | 32,775 | 28,434 |
| | 661,089 | 590,646 |

NOTE 4 - INCOME TAX EXPENSE

The Income Tax Assessment Act 1997 provides that under the concept of mutuality Cronulla R.S.L. Memorial Club Limited is liable for income tax, based upon net assessable income derived from non-members and from investments in outside entities. In view of these special circumstances, it is not appropriate to compare income tax payable with the net profit disclosed in the Statement of Comprehensive Income.

The amount set aside for income tax in the Statement of Comprehensive Income has been calculated as follows:

NOTES TO THE FINANCIAL STATEMENTS CONT.

FOR THE YEAR ENDED
31 DECEMBER, 2021

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| | 2021 \$ | 2020 \$ |
|--|-------------|-------------|
| Portion of income attributed to non-members | 4,516,555 | 5,433,033 |
| Less: Portion of expenses attributed to non-members | (4,333,866) | (4,769,947) |
| | 182,689 | 663,086 |
| Add: Other assessable income | 382,952 | 664,817 |
| Less: Other deductible expenses | (868,040) | (929,781) |
| | (302,399) | 398,122 |
| Prior year tax losses deducted | - | (398,122) |
| Net taxable income/(tax loss) for the year | (302,399) | - |
| Current income tax applicable to net taxable income at 28.5% | - | - |
| Write-back of deferred tax asset | - | - |
| Income tax expense | - | - |

NOTE 5 - CASH AND CASH EQUIVALENTS

| | | |
|--------------|-----------|-----------|
| Cash on hand | 685,291 | 625,408 |
| Cash at bank | 4,525,529 | 4,423,287 |
| | 5,210,820 | 5,048,695 |

NOTE 6 - TRADE AND OTHER RECEIVABLES

| | | |
|---------------------------|---------|--------|
| Trade accounts receivable | 68,183 | 36,028 |
| Accrued income | 161,248 | 3,490 |
| | 229,431 | 39,518 |

NOTE 7 - INVENTORIES

| | | |
|-------------------------|---------|---------|
| Finished goods, at cost | 208,778 | 170,738 |
| | 208,778 | 170,738 |

- Net fair value
The net fair value of inventories approximates their carrying amount.
- Inventory expense
Inventory recognised as expense during the year ended 31 December, 2021 amounted to \$1,717,017 (2020: \$1,814,463). The expense has been included in "Cost of goods sold" in the Statement of Comprehensive Income.

NOTE 8 - OTHER ASSETS

| | 2021 \$ | 2020 \$ |
|---|------------|------------|
| Other current assets | | |
| Prepaid expenses | 315,929 | 347,709 |
| | 315,929 | 347,709 |
| Non-current | | |
| Building and redevelopment costs in progress, at cost | 61,395 | 46,752 |
| | 61,395 | 46,752 |

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT

a. Valuation of land and buildings

The freehold land of the company was independently valued as at 18 December, 2018 by Global Valuation Services Pty Ltd. The valuation for freehold land is on the basis of fair value in accordance with Australian Accounting Standard AASB 13 - Fair Value Measurement. Underlying the fair values is the presumption that the company is a going concern without any intention or need to liquidate, or otherwise wind-up its operations, or undertake a transaction on adverse terms. Factors considered within the independent valuation include existing zoning of the land, location and shape of the sites, and assessment as vacant for the purposes of "depreciated replacement approach" to the valuation.

The buildings owned by the company were also valued as at 18 December, 2018, however the Directors have not applied the building revaluation as at 31 December, 2018 for the purposes of these financial statements and reports due to:-

- there were still extensive building renovations in progress as at 31 December, 2018, involving significant expenditure, and these renovations continued during the 2021 year;
- as a result of these further extensive building renovations, there would be significant write-off of recorded asset costs now demolished or removed.

Hence the carrying amount of buildings in the ledger will change significantly subsequent to 31 December, 2018 due to these renovations and anticipated write-offs. Accordingly, the Directors considered it more prudent to wait until the carrying amount for the buildings in the ledger is finalised during this forthcoming 2022 year, and then apply the revaluation increment, or decrement, to the post-renovations balance.

There is no provision for the distribution of accumulated net revaluation surplus to members under the Constitution of the company.

b. Reconciliation of property, plant and equipment

| | Freehold land \$ | Buildings \$ | Plant, furniture and fittings \$ | Poker machines \$ | Motor vehicles \$ | Total \$ |
|----------------------------------|------------------------|-----------------|--|-------------------------|-------------------------|-------------|
| Cost and/or valuation | | | | | | |
| Balance at 31/12/2020 | | | | | | |
| At valuation | 29,000,000 | 18,960,458 | | - | - | 47,960,458 |
| At cost | | 1,359,453 | 2,615,562 | 4,157,102 | 99,774 | 8,231,891 |
| Additions | - | 77,797 | 152,852 | 333,015 | | 563,664 |
| Disposals | - | | | (265,336) | | (265,336) |
| Revaluation increment | - | - | - | - | - | - |
| Balance at 31/12/2021 | 29,000,000 | 20,397,708 | 2,768,414 | 4,224,781 | 99,774 | 56,490,677 |
| Accumulated depreciation: | | | | | | |
| Balance at 31/12/2020 | - | 2,642,643 | 1,491,229 | 3,237,171 | 47,491 | 7,418,534 |
| Depreciation provided | - | 673,935 | 422,932 | 691,447 | 12,472 | 1,800,786 |
| Written off on disposals | - | | | (264,990) | | (264,990) |
| Balance at 31/12/2021 | - | 3,316,578 | 1,914,161 | 3,663,628 | 59,963 | 8,954,330 |
| Written down value: | | | | | | |
| As at 31/12/2021 | 29,000,000 | 17,081,130 | 854,253 | 561,153 | 39,811 | 47,536,347 |
| As at 31/12/2020 | 29,000,000 | 17,677,268 | 1,124,333 | 919,931 | 52,283 | 48,773,815 |

c. Core properties

The following are core properties of the club:-

- 38 Gerrale Street, Cronulla, NSW 2230
- 109-113 Gerrale Street, Cronulla, NSW 2230

NOTE - 10 TRADE AND OTHER PAYABLES

| | 2021 \$ | 2020 \$ |
|--------------------------|------------------|------------------|
| Trade accounts payable | 780,890 | 814,712 |
| Other accounts payable | 427,677 | 313,928 |
| GST payable (refundable) | 187,119 | 219,274 |
| | <u>1,395,686</u> | <u>1,347,914</u> |

NOTE 11 - BORROWINGS

| | 2021 \$ | 2020 \$ |
|--|------------------|------------------|
| Secured | | |
| Current portion of long term borrowings | | |
| Bank Loan | 1,476,000 | 1,200,000 |
| | <u>1,476,000</u> | <u>1,200,000</u> |
| Non-current portion of long term borrowings | | |
| Bank loan | 3,717,061 | 5,467,263 |
| | <u>3,717,061</u> | <u>5,467,263</u> |
| Total current and non-current secured liabilities: | | |
| Bank loan | 5,193,061 | 6,667,263 |
| | <u>5,193,061</u> | <u>6,667,263</u> |

The bank loan is secured by registered mortgage over the freehold land of the company.

NOTE 12 - PROVISIONS

| | 2021 \$ | 2020 \$ |
|---|----------------|----------------|
| Current | | |
| Provision for employee entitlements | 162,245 | 180,786 |
| Provision for poker machine linked prizes | 82,287 | 32,874 |
| Other provisions | 40,375 | 5,364 |
| | <u>284,907</u> | <u>219,024</u> |
| Non-current | | |
| Provision for employee entitlements | 80,066 | 54,575 |
| | <u>80,066</u> | <u>54,575</u> |
| Total provisions | | |
| Provision for employee entitlements | 242,311 | 223,177 |
| Provision for poker machine linked prizes | 82,287 | 32,874 |
| Other provisions | 40,375 | 17,548 |
| | <u>364,973</u> | <u>273,599</u> |

NOTE 12 - PROVISIONS CONTINUED

a. Provision for employee entitlements

A provision has been recognised for employee entitlements relating to annual leave, long service leave and rostered leave. The liability is measured as expected future payments to be made in respect of services provided by employees as at the reporting date. The probability and timing of employee entitlements expected to be taken are estimated on the basis of historical data.

| Movement- | 2021 \$ | 2020 \$ |
|--|------------|------------|
| Balance at beginning of the financial year | 223,177 | 222,702 |
| Additional provisions made during the year | 209,163 | 211,909 |
| Amount used during the year | (190,029) | (211,434) |
| Balance at the end of the financial year | 242,311 | 223,177 |

b. Provision for poker machine linked prizes

A provision is made in the financial report for accumulated poker machine jackpots liability as at the reporting date. The balance at financial year end is expected to be utilised within the next financial year. Management estimates the provision based on historical information and any recent trends which may suggest future obligations could differ from historical amounts.

| Movement- | 2021 \$ | 2020 \$ |
|--|------------|------------|
| Balance at beginning of the financial year | 32,874 | 63,331 |
| Increase/(decrease) in provision | 49,413 | (30,457) |
| Balance at the end of the financial year | 82,287 | 32,874 |

NOTE 13 - OTHER CURRENT LIABILITIES

Current

| | | |
|-------------------------------------|----------|---------|
| Membership fees received in advance | 413,672 | 402,999 |
| Other income received in advance | (17,306) | (6,759) |
| Subsidiary club funds | (1,180) | (1,180) |
| | 395,186 | 395,060 |

NOTE 14 - RESERVES

| | | |
|---------------------------|------------|------------|
| Asset revaluation reserve | 30,793,036 | 30,793,036 |
|---------------------------|------------|------------|

The Asset Revaluation Reserve records increments and decrements on the revaluation of non-current assets.

Movement-

| | | |
|--|------------|------------|
| Balance at beginning of the financial year | 30,793,036 | 30,793,036 |
| Revaluation increment (net) of freehold land and buildings | - | - |
| Balance at the end of the financial year | 30,793,036 | 30,793,036 |

NOTE 15 - RETAINED EARNINGS

| | 2021 \$ | 2020 \$ |
|----------------------------------|------------|------------|
| Retained earnings | 15,420,758 | 14,950,355 |
| Movement: | | |
| Balance at beginning of the year | 14,950,355 | 13,223,250 |
| Net profit / (loss) for the year | 470,403 | 1,727,105 |
| Balance at year end | 15,420,758 | 14,950,355 |

NOTE 16 - NOTES TO STATEMENT OF CASH FLOWS

a. Reconciliation of the operating profit after tax to the net cash flows from operations

| | | |
|---|-----------|-----------|
| Operating profit after income tax | 470,403 | 1,727,105 |
| Non-cash flow items in operating profit: | | |
| Depreciation and amortisation | 1,800,788 | 1,801,894 |
| Loss (profit) from sale of non-current assets | (47,654) | (58,728) |
| Provision for employee entitlements | 42,863 | 12,659 |
| Provision for poker machine linked prizes | 48,510 | (34,582) |

Changes in assets and liabilities:

| | | |
|------------------------------------|-----------|-----------|
| Accounts receivable | (189,913) | (23,135) |
| Inventories | (38,040) | 67,539 |
| Prepaid expenses | 31,779 | (49,647) |
| Accounts payable | 47,772 | (303,406) |
| Income received in advance | 126 | 4,088 |
| Net cash from operating activities | 2,166,634 | 3,143,787 |

b. Reconciliation of cash and cash equivalents

| | | |
|----------------------|-----------|-----------|
| Cash at bank | 4,525,529 | 4,423,287 |
| Cash on hand | 685,291 | 625,408 |
| Cash on term deposit | - | - |
| | 5,210,820 | 5,048,695 |

c. Cash flows presented on a net basis

Cash flows arising from poker machines, Keno and TAB trading are presented on a net basis in the Statement of Cash Flows.

NOTE 17 - CAPITAL AND LEASING COMMITMENTS

a. Capital commitments

There have been no contracted capital expenditure commitments since balance date, and to the date of this report.

b. Superannuation commitments

The company contributes to superannuation plans so as to provide benefits to employees on retirement, death or disability. Benefits provided under the plans are based on contributions from the company and, in certain cases, on contributions from employees. To the extent that contributions to the superannuation plans by the company are in accordance with industrial agreements, there is a legally enforceable obligation on the company to contribute to the superannuation plan.

The company does not provide any guarantee whatsoever to any person as to the performance of the superannuation plans to which it contributes, nor as to the ability of the superannuation plans to meet their obligations as and when they fall due.

NOTE 18 - CONTRIBUTED EQUITY

The company is limited by guarantee. In the event of a winding-up of the company, the Constitution states that each member is required to contribute a maximum of \$1 toward meeting any outstanding obligations of the company.

NOTE 19 - CONTINGENT LIABILITIES

The Directors of the company are not aware of any contingent liabilities at balance date.

NOTE 20 - EVENTS SUBSEQUENT TO REPORTING DATE

There have been no events which have occurred between balance date and the date of these accounts which will materially impact the company.

NOTE 21 - RELATED-PARTY TRANSACTIONS

Transactions with Directors involving the purchase of trading stock occurred within the normal club-member relationship on terms and conditions no more favourable than those available on similar transactions to other club members.

The Director emoluments during the year amounted to \$74,000 (2020: \$74,000). The emoluments for each Director were approved by members during the previous Annual General Meeting. No other benefits have been provided to Directors, other than provision of meals, travel, and other costs in relation to attendance at meetings, as previously approved by members at Annual General Meeting.

The benefits paid to key management personnel ("KMP") of the company during the year are as follows:

| | 2021 \$ | 2020 \$ |
|-------------------------------|----------------|----------------|
| Salaries, fees and allowances | 622,000 | 611,552 |
| Superannuation | 54,800 | 52,371 |
| Non-cash benefits | 16,000 | 16,000 |
| | <u>692,800</u> | <u>679,923</u> |

Cronulla R.S.L. Memorial Club Limited ACN 001 027 176

Directors Declaration

The Directors of Cronulla R.S.L. Memorial Club Limited declare that:

1. The financial statements and notes thereto are in accordance with the Corporations Act 2001, and:

(a) comply with Accounting Standards in Australia and the Corporations Regulations 2001; and

(b) give a true and fair view of the company's financial position as at 31 December, 2021 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

2. In the opinion of the Directors 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.



Ian Bourke
- President

Dated this 22nd day of March, 2022.

INDEPENDANT AUDIT REPORT

FOR THE YEAR ENDED
31 DECEMBER, 2021

BUSINESS PARTNER ACCOUNTANTS

ABN 31 254 110 993

Chartered Accountants and Business Advisors

PO Box 634
Miranda NSW 1490

Principal: Mark J. Lennon B.Comm., FCA

Tel: (02) 9524 2966

Fax: (02) 9524 2933

E-mail: info@bpaccountants.com.au

Suite 6, First Floor
525 Kingsway
(Cnr. Clubb Cr.)
Miranda NSW 2228

Independent Audit Report

To the members of Cronulla R.S.L. Memorial Club Limited

We have audited the accompanying financial report of Cronulla R.S.L. Memorial Club Limited, which comprises the Statement of Financial Position as at 31 December, 2021, and the Statement of 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.

Directors' Responsibility for the Financial Report

The Directors of the company are responsible for the preparation and fair presentation of the financial report that give a true and fair value in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) 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.

Auditor Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

(cont'd. over)

INDEPENDANT AUDIT REPORT

FOR THE YEAR ENDED
31 DECEMBER, 2021

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the Directors of Cronulla R.S.L. Memorial Club Limited, would be in the same terms if provided to the Directors as at the date of this auditor's report.

Opinion

In our opinion, the financial report of Cronulla R.S.L. Memorial Club Limited is in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the company financial position as at 31 December, 2021 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

Business Partner Accountants
Business Partner Accountants

Mark J. Lennon
Mark J. Lennon

Signed at Miranda, NSW, this 22nd day of March, 2022



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Cronulla RSL
Memorial Club Limited
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2021 Annual Report
Cronulla RSL
Memorial Club Limited
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ANZA
DAY
at Cronulla
\$15 Breakfast &
Watergrill
Food & Coffee on T
Bowling
m - 4pm
Soft Sho
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the Su

EVENTS in 2021

Despite many challenges in organising events in 2021 we managed to deliver some very special days!

Our annual Mother's Day Luncheon in Soldiers was simple yet beautiful styling, live music, a glass of Mumm on arrival and a tasty 3 course menu, along with 3 great lucky door prizes, the 95 guests that attended had a fantastic day.

The St Hugo Wine dinner in the Soldiers Room on Friday 18th June was a sold out event, with all guests enjoying a range of wines to taste and a specifically curated 4 course meal to go hand in hand with the wines. It was a fantastic night, a real success.

Melbourne Cup with eased restrictions saw a wonderful day, again we held the Garden Party in the Sunroom and Deck. Guests enjoyed a cocktail on arrival, a personal picnic box, live entertainment fashions on the field and lucky door prizes. Mother nature put on her best to ensure that everyone attending had a fantastic time.

In Soldiers we hosted the Race Day Promenade. With guests dressing in the classic black and white, they were treated with Mumm on arrival, a 3 course meal, a fantastic band and all the Melbourne Cup trimmings. All reports from the day were glowing!

After a long time in preparation, the Surf Club opened in November. We have had great feedback from all events held there and bookings continue to flood in for the newest sought after venue in the Sutherland Shire.

After such a tough year for so many, we decided to give back to the Seniors of the community by hosting 2 seniors Christmas luncheons. This was a chance for members and guests to come together with people they may not have been able to due to COVID. They enjoyed a full Christmas lunch and entertainment. They were very thankful.

Our Christmas Day Luncheon in the Soldiers was sold out, however with a surge of Covid cases, there were some last minute cancellations. This did not impact on the success of the event. With a 3 course meal, beverage package, live music and a visit from Santa – everyone left feeling the festive spirit.

We're looking forward to an Eventful 2022!





Meet Cronulla RSL's first four-legged
Honorary Member, Manic!

Manic served in the Defence Force for
5 years from 2015–2020. Throughout
his service he spent 6 months in Iraq
and 3 years DCT.

