

ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978

FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2020

ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978

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ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978

DIRECTORS' REPORT

Your directors present their report on Engadine RSL & Citizens Club Limited (the company) for the financial year ended 31 December 2020.

Directors

The following directors have been in office for the entire financial year unless otherwise stated below and attended the recorded board meetings:

Name of Director	Club Position	Total number of Directors meetings attended	Total number of Directors meetings whilst in office
Garry Eggert	President	12	12
John Bromley	Vice President	7	12
Warren Singleton	Vice President	11	12
Ivan McMillan	Director	11	12
Graham Walker	Director	12	12
Mark Chapman	Director	12	12
Lois Hart	Director	11	12
Maureen Taylor	Director	9	12
Brad Jenkins (resigned 20/03/2020)	Director	2	2

Number of Directors meetings

12

Information on Directors

Name of Director	Qualifications & Experience
Garry Eggert	Current President. Director for 5 years. Club member for 24 years. Executive of CUFSS Limited. Now retired.
John Bromley	Current Vice President. Director for 14 years. Club member for 36 years. Former company director. Now retired.
Warren Singleton	Current Vice President. Director for 7 years. Club member for 22 years. Employed as a staff supervisor.
Ivan McMillan	Director for 20 years. Former business owner and manager. Now retired.
Graham Walker	Director for 12 years. Club member for 43 years. Resident of Engadine for over 50 years. Now retired.
Mark Chapman	Director for 12 years. Club member for 39 years. Resident of Engadine for 40 years. Former Project Manager. Now retired.
Lois Hart	Director for 4 years. Club member for 20 years. Former CPA. Now retired.
Maureen Taylor	Director for 2 years. Club member for 5 years. Employed as a Clinical Facilitator UTS.
Brad Jenkins	Former Director for 3 years. Club member for 20 years. Former Committee Advocate. Now retired.

Members' limited liability

In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$2.00 per member in the event of the winding up of the company during the time that he/she is a member or within one year thereafter. Based on the number of members at 31 December 2020, the total members' liability would be \$19,706.

ENGADINE RSL & CITIZENS CLUB LIMITED

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DIRECTORS' REPORT

Operating Results

The profit of the company for the financial year after providing for income tax amounted to \$564,158.

Objectives

The objectives for which the company is established are to provide for members and for members' guests a social and recreational club with all the usual facilities of a club, to look after the members in every possible way by providing service, comfort, entertainment, good food and a wide range of facilities to cater for every age group, and to give the community a significant proportion of the club's profits in support of various charities and community organisations.

Short Term

- Maintain membership numbers and increase the attendance on the premises.
- Improve the experience of members using the club facilities.
- Improve profitability and efficiency of club operations.
- Increase cash reserves of the company.
- Maintain level of community support funding.

Long Term

- Diversify income streams.
- Maintain financial stability of the company.
- Ensure facilities continue to cater for members needs.
- Increase efficiency in energy consumption.

Strategy for achieving the objectives

- Research on members' preferences for facilities and services.
- Review promotional activity conducted in the club.
- Evaluate operational procedures and staff training.
- Commence audit of energy usage in club premises.
- Investigate alternatives for producing income from non-traditional sources.

Principal Activities

The principal activities of the company during the course of the financial year consisted of the conduct and promotion of a licensed club and provision of recreational facilities to the members of the company.

There were no significant changes in the nature of the activities of the company during the year.

How these activities assist in achieving the objectives

The principal activities of the company contributed to achieving the objectives by providing a stable base of operations. This ensured the financial position of the company remained stable and generated funds to meet the demands of the company and maintain high levels of service to members and guests.

Performance measurement and key performance indicators

The financial performance of the company is measured against the budget and benchmark data from the club industry. Some of the criteria reported are:

- Earnings Before Interest Taxation Depreciation Amortisation Research and Donations (EBITDARD).
- Gross Profit Margins.
- Wage and Overhead Costs.
- Advertising, Entertainment, Marketing and Promotions (AEMP).


ENGADINE RSL & CITIZENS CLUB LIMITED
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DIRECTORS' REPORT

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

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

Director: 
Garry Eggen

Director: 
John Bromley

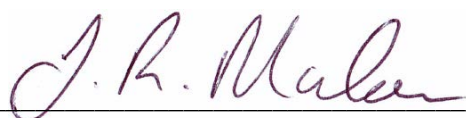
Dated this 22nd day of February 2021

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
ENGADINE RSL & CITIZENS CLUB LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2020 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.

Maher Partners Assurance Pty Limited



Jason Maher

Taren Point

Dated this 22nd day of February 2021

ENGADINE RSL & CITIZENS CLUB LIMITED
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
Revenue	2	4,804,760	6,104,098
Cost of sales		(444,616)	(677,272)
Depreciation and amortisation expenses	3	(750,189)	(717,632)
Directors' expenses		(4,933)	(20,170)
Employee benefits expenses		(1,393,832)	(1,544,465)
Finance costs	3	-	(15,025)
Other expenses		(1,648,680)	(2,675,861)
Profit before income tax	3	562,510	453,673
Income tax benefit / (expense)	4	1,648	415
Profit for the year		564,158	454,088
Total comprehensive income for the year		564,158	454,088
Total comprehensive income attributable to members of the entity		564,158	454,088

The accompanying notes form part of these financial statements.

ENGADINE RSL & CITIZENS CLUB LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	5	1,261,201	264,019
Trade and other receivables	6	3,000	3,694
Inventories	7	39,244	44,485
Other current assets	8	40,480	42,420
TOTAL CURRENT ASSETS		<u>1,343,925</u>	<u>354,618</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	7,130,117	7,688,495
Deferred tax assets		13,530	11,882
TOTAL NON-CURRENT ASSETS		<u>7,143,647</u>	<u>7,700,377</u>
TOTAL ASSETS		<u>8,487,572</u>	<u>8,054,995</u>
CURRENT LIABILITIES			
Trade and other payables	10	255,853	417,142
Provisions	11	190,445	156,154
Other current liabilities	12	8,590	8,590
TOTAL CURRENT LIABILITIES		<u>454,888</u>	<u>581,886</u>
NON-CURRENT LIABILITIES			
Provisions	11	9,814	14,397
TOTAL NON-CURRENT LIABILITIES		<u>9,814</u>	<u>14,397</u>
TOTAL LIABILITIES		<u>464,702</u>	<u>596,283</u>
NET ASSETS		<u>8,022,870</u>	<u>7,458,712</u>
MEMBERS' EQUITY			
Retained earnings	13	8,022,870	7,458,712
TOTAL MEMBERS' EQUITY		<u>8,022,870</u>	<u>7,458,712</u>

The accompanying notes form part of these financial statements.

ENGADINE RSL & CITIZENS CLUB LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Retained Earnings \$	Total \$
Balance at 1 January 2019		7,004,624	7,004,624
Profit (Loss) attributable to members		454,088	454,088
Balance at 31 December 2019		<u>7,458,712</u>	<u>7,458,712</u>
Profit (Loss) attributable to members		564,158	564,158
Balance at 31 December 2020		<u><u>8,022,870</u></u>	<u><u>8,022,870</u></u>

The accompanying notes form part of these financial statements.

ENGADINE RSL & CITIZENS CLUB LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	4,804,424	5,975,581
Payments to suppliers and employees	(3,616,460)	(4,827,704)
Interest received	-	4
Finance costs paid	-	(15,025)
Net cash provided by operating activities	16 <u>1,187,964</u>	<u>1,132,856</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	2,000	130,290
Payments for property, plant and equipment	(192,782)	(769,925)
Net cash used in investing activities	<u>(190,782)</u>	<u>(639,635)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	-	(391,056)
Net cash provided by (used in) financing activities	<u>-</u>	<u>(391,056)</u>
Net increase in cash held	997,182	102,165
Cash at beginning of financial year	264,019	161,854
Cash at end of financial year	16 <u><u>1,261,201</u></u>	<u><u>264,019</u></u>

The accompanying notes form part of these financial statements.

ENGADINE RSL & CITIZENS CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1 Summary of Significant Accounting Policies

The financial statements cover Engadine RSL & Citizens Club Limited (the company) as an individual entity. Engadine RSL & Citizens Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.

Basis of Preparation

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

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 financial statements are presented in Australian dollars, which is the company's functional currency, and have been rounded to the nearest dollar.

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 were authorised for issue on 22 February 2021 by the directors of the company.

Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Trade and Other Receivables

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for doubtful debts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables is reviewed and an allowance for doubtful debts is recognised when there is objective evidence that individual receivables are not recoverable.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a weighted-average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

Property, Plant and Equipment

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

Property

Land is measured on the cost basis.

Buildings are measured on the cost basis less depreciation.

Plant and equipment

Plant and equipment 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 that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant & Equipment	5.0 - 40.0%

The estimated useful life for each class of depreciable assets are:

Class of Fixed Asset	Useful Life
Buildings	40 Years
Plant & Equipment	2.5 -20 Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's 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 income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Leases

The company as a lessee

The company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In such instances, the company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements, except for short term leases, cancellable leases that if cancelled by the lessee the losses associated with the cancellation are borne by the lessor and low value leased assets. For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Measurement and presentation of lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

The following items are also included in the measurement of the lease liability:

Fixed lease payments offset by any lease incentives;

Variable lease payments, for lease liabilities which are tied to a floating index;

The amounts expected to be payable to the lessor under residual value guarantees;

The exercise price of purchase options (if it is reasonably certain that the option will be exercised); and

Payments of penalties for terminating leases, if the lease term reflects the lease terminating early.

The lease liability is separately disclosed on the statement of financial position. The liabilities which will be repaid within twelve months are recognised as current and the liabilities which will be repaid in excess of twelve months are recognised as non-current.

The lease liability is subsequently measured by reducing the balance to reflect the principal lease repayments made and increasing the carrying amount by the interest on the lease liability.

The company is required to remeasure the lease liability and make an adjustment to the right of use asset in the following instances:

The term of the lease has been modified or there has been a change in the company assessment of the purchase option being exercised, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; and

The lease payments are adjusted due to changes in the index or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate. However, if a change in lease payments is due to a change in a floating interest rate, a revised discount rate is used.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Measurement and presentation of right-of-use asset

The right-of-use assets recognised by the company comprise the initial measurement of the related lease liability, any lease payments made at or before the commencement of the contract, less any lease incentives received and any direct costs. Costs incurred by the company to dismantle the asset, restore the site or restore the asset are included in the cost of the right-of-use asset.

It is subsequently measured under the cost model with any accumulated depreciation and impairment losses applied against the right-of-use asset. If the cost of the right-of-use asset reflects that the company will exercise a purchase option, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the company depreciates the asset over the shorter period of either the useful life of the asset or the lease term. The depreciation starts at the commencement date of the lease and the carrying value of the asset is adjusted to reflect the accumulated depreciation balance.

Any remeasurement of the lease liability is also applied against the right-of-use asset value.

The right-of-use assets are presented within Property, Plant and Equipment in the statement of financial position.

Trade and Other Payables

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the company that remain unpaid.

Trade payables are recognised at their transaction price. The carrying values are considered to be a reasonable approximation of the fair values. Trade payables are obligations on the basis of normal credit terms.

Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Revenue and Other Income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the company and specific criteria relating to the type of revenue as noted below, has been satisfied.

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

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Sale of goods

Revenue from the sale of goods comprises revenue earned from the provision of food, beverage and other goods to members and other patrons and is recognised at the point the goods are provided as this corresponds to the transfer of significant risks and rewards of ownership of the goods.

Interest revenue

Interest revenue is recognised using the effective interest rate method.

Membership subscriptions

Membership subscriptions paid in advance are initially recognised as a liability. Revenue is recognised on a straight line basis over the membership period, based on the membership category for which subscriptions have been received.

Sale of property, plant and equipment

The gain or loss on disposal of property, plant and equipment is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs) and is recognised as other income or other expenses at the date control of the asset passes to the buyer.

Other income

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

Borrowing Costs

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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 Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Income Tax

The income tax expense for the year is the tax payable on the current year's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are recognised at the tax rates expected to apply when the assets are recovered or the liabilities are settled. Current and deferred tax is recognised as an expense in the income statement except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

Deferred tax assets are recognised to the extent that it is probable that sufficient taxable 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 company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Comparatives

Comparative figures have been adjusted to conform to changes in presentation for the current financial year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
2 Revenue		
Operating activities		
Departmental trading revenue	4,178,444	5,513,664
Interest received	-	4
Other revenue	625,287	462,520
	4,803,731	5,976,188
Non-operating activities		
Profit on disposal of property, plant and equipment	1,029	127,910
	1,029	127,910
Total revenue	4,804,760	6,104,098
3 Profit		
Expenses		
Cost of sales	444,616	677,272
Finance Costs		
Bank Interest	-	15,025
	-	15,025
Depreciation of property, plant and equipment		
Depreciation - Bar	11,608	10,033
Depreciation - Poker Machines	368,077	354,261
Depreciation - Keno	98	50
Depreciation - TAB	739	762
Depreciation - Buildings	265,858	251,946
Depreciation - Plant & Equipment	103,809	100,580
	750,189	717,632

ENGADINE RSL & CITIZENS CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
4 Income Tax Expense		
Reconciliation between income tax expense and prima facie tax on accounting profit		
Accounting profit / (loss)	562,510	453,673
Tax at 27.5%	154,690	124,760
Add tax effect of:		
Other items	7,650	9,190
	162,340	133,950
Less tax effect of:		
Deferred tax asset increase	(1,648)	(415)
Income attributable to members	(30,626)	(10,535)
Mutuality	(117,330)	(90,160)
Tax losses utilised	(14,384)	(33,255)
Income tax expense / (benefit)	(1,648)	(415)
Deferred tax assets		
Beginning of year	11,882	11,467
Additions / (subtractions)	1,648	415
End of year	13,530	11,882
Analysis of deferred tax assets		
Deferred tax assets consist of the following temporary differences:		
Attributable to the tax treatment of provisions	13,530	11,882
	13,530	11,882

Deferred tax assets

Utilisation of deferred tax assets is dependent on the reversal of existing taxable temporary differences. Recognition of these deferred tax assets is supported by the eventual payment of employee entitlements.

Deferred tax assets not recognised

Deferred tax assets of \$89,114 relating to unused tax losses have not been recognised due to it not being considered probable that future taxable profit will be available against which the losses can be utilised.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
5 Cash and Cash Equivalents		
Current		
Cash on Hand	125,000	120,000
Cash at Bank	1,136,201	144,019
	<u>1,261,201</u>	<u>264,019</u>
6 Trade and Other Receivables		
Current		
Trade Debtors	3,000	3,694
	<u>3,000</u>	<u>3,694</u>
7 Inventories		
Current		
At cost:		
Stock on Hand - Bar	39,244	44,485
	<u>39,244</u>	<u>44,485</u>
8 Other Assets		
Current		
Prepayments	40,480	42,420
	<u>40,480</u>	<u>42,420</u>
9 Property, Plant and Equipment		
LAND AND BUILDINGS		
Land:		
Land - at Cost	451,702	451,702
	<u>451,702</u>	<u>451,702</u>
Buildings:		
Building and Improvements at cost	9,583,623	9,574,433
Less accumulated depreciation	(4,150,915)	(3,885,057)
Total Buildings	<u>5,432,708</u>	<u>5,689,376</u>
Total Land and Buildings	<u>5,884,410</u>	<u>6,141,078</u>

ENGADINE RSL & CITIZENS CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
PLANT AND EQUIPMENT		
Plant and Equipment:		
At cost	5,302,213	5,137,420
Accumulated depreciation	(4,056,506)	(3,590,003)
	1,245,707	1,547,417
Total Plant and Equipment	1,245,707	1,547,417
Total Property, Plant and Equipment	7,130,117	7,688,495

Movements in Carrying Amounts

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

	Land, Buildings & Improvements	Poker Machines	Plant & Equipment	Bar, Keno, TAB & M/V Plant	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2019	6,225,022	766,665	566,141	80,754	7,638,582
Additions	168,002	522,185	71,881	7,857	769,925
Disposals	-	(2,380)	-	-	(2,380)
Depreciation expense	(251,946)	(354,261)	(92,856)	(18,569)	(717,632)
Balance at 31 December 2019	6,141,078	932,209	545,166	70,042	7,688,495
Additions	9,190	78,993	83,123	21,476	192,782
Disposals	-	(971)	-	-	(971)
Depreciation expense	(265,858)	(368,077)	(96,106)	(20,148)	(750,189)
Carrying amount at 31 December 2020	5,884,410	642,154	532,183	71,370	7,130,117

Valuation

An independent valuation of the company's land and buildings was carried out as at 15 January 2018 by registered valuers, Preston Rowe Paterson NSW Pty Limited. The basis of the valuation was fair value in accordance with the accounting standard AASB 116 Property, Plant and Equipment. Land and Buildings were valued at \$8,445,000. The directors however have resolved to continue to recognise Property Plant & Equipment at cost in the financial statements which is an accepted treatment under the Australian Accounting Standard AASB 116. Consequently, no adjustment has been brought to account.

Security

The following security is held by Westpac in respect of the business overdraft facility:

- Registered first mortgage over 1029 Old Princes Highway, Engadine known as Engadine RSL & Citizens Club Limited.
- Fixed & floating charge over all assets of the club.

ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
10 Trade and Other Payables		
Current		
Trade Creditors	51,988	288,695
Other Creditors	203,865	128,447
	<u>255,853</u>	<u>417,142</u>
Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables:		
- Total current	255,853	417,142
- Total non-current	-	-
	<u>255,853</u>	<u>417,142</u>
Less Other Payables	(203,865)	(128,447)
Financial liabilities as trade and other payables	<u>51,988</u>	<u>288,695</u>
Trade and other payables are unsecured, non interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short term nature of the balances.		
11 Provisions		
Current		
Provision for Annual Leave	70,115	50,746
Provision for Long Service Leave	120,330	105,408
	<u>190,445</u>	<u>156,154</u>
Non-Current		
Provision for Long Service Leave	<u>9,814</u>	<u>14,397</u>
12 Other Liabilities		
Current		
Income in advance	<u>8,590</u>	<u>8,590</u>

ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
<hr/>		
13 Retained Earnings		
Retained earnings at the beginning of the financial year	7,458,712	7,004,624
Net profit attributable to members of the company	564,158	454,088
Retained earnings at the end of the financial year	<u>8,022,870</u>	<u>7,458,712</u>
14 Key Management Personnel		
<p>Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.</p> <p>The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows:</p>		
Key management personnel compensation	<u>323,557</u>	<u>308,655</u>

15 Related Party Transactions

No director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
<hr/>		
16 Cash Flow Information		
a) Reconciliation of Cash		
Cash and cash equivalents consist of cash on hand and balances with banks, and investments in money market instruments. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Cash on Hand	125,000	120,000
Cash at Bank	1,136,201	144,019
	<u>1,261,201</u>	<u>264,019</u>
b) Reconciliation of net cash provided by operating activities to profit after income tax		
Operating profit (loss) after income tax	564,158	454,088
Adjustments:		
(Gain) / Loss on sale of non-current assets	(1,029)	(127,910)
Depreciation	750,189	717,632
(Increase) Decrease in inventories	5,240	6,232
(Increase) Decrease in receivables	694	(1,103)
(Increase) Decrease in prepayments	1,941	(625)
(Increase) Decrease in deferred tax assets	(1,648)	(415)
Increase (Decrease) in trade creditors	(236,707)	72,291
Increase (Decrease) in other creditors	75,418	(4,692)
Increase (Decrease) in provisions	29,708	17,358
	<u>1,187,964</u>	<u>1,132,856</u>

ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$

17 Financial Risk Management

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

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements are as follows:

	Note	2020	2019
		\$	\$
Financial Assets			
Cash and cash equivalents	5	1,261,201	264,019
Loans and receivables	6	3,000	3,694
Total Financial Assets		1,264,201	267,713
Financial Liabilities			
Trade and other payables	10	51,988	288,695

The net fair value is equivalent to the carrying amount unless otherwise stated.

18 Company Details

The registered office of the company is:

1029-1031 Old Princes Highway, Engadine, NSW 2233

The principal place of business is:

1029-1031 Old Princes Highway, Engadine, NSW 2233

The principal activities of the company are that of a Registered Club.

ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$

19 Disclosure Requirements under Section 41E of the Registered Clubs Act

Core and Non-core Property

Section 41E of the Act defines core property as meaning any real property owned or occupied by a registered club that comprises:

- (a) the defined premises of the club; or
- (b) any facility provided by the club for use of its members and their guests; or
- (c) any other property declared, by resolution passed by a majority of the members present at a general meeting of the ordinary members of the club, to be core property of the club.

Non-core property is defined as meaning any real property owned or occupied by the club that is not core property.

The company's defined premises at 1029-1031 Old Princes Highway, Engadine, NSW 2233 is considered to be core property.

The company is not considered to have any non-core property.

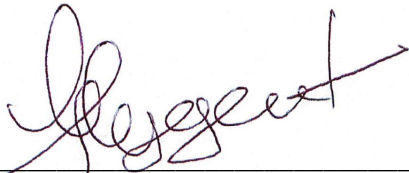
ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 24, are in accordance with the Corporations Act 2001 including:
 - (a) giving a true and fair view of the company's financial position as at 31 December 2020 and of its performance as represented by the results of its operations and its cash flows for the year ended on that date; and
 - (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001; and
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.


Director: _____
Garry Eggert


Director: _____
John Bromley

Dated this 22nd day of February 2021

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978**

Auditor's Opinion

We have audited the accompanying financial report of Engadine RSL & Citizens Club Limited (the company), which comprises the statement of financial position as at 31 December 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (a) giving a true and fair view of the company's financial position as at 31 December 2020 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

Basis for Auditor's Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those 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. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report.

We are independent of the company in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the code.

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

Other Information

The directors of the company are responsible for the other information. The other information comprises the information included in the directors' report, but does not include the financial report and our auditor's report thereon.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978**

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and Australian Accounting Standards - Reduced Disclosure Requirements and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978**

We identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

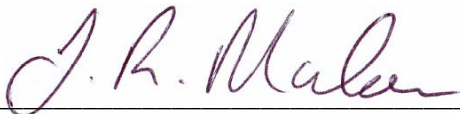
We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors.

We conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Maher Partners Assurance Pty Limited



Jason Maher

Taren Point

Dated this 22nd day of February 2021

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978**

**Auditor's Disclaimer to the Members
For the year ended 31 December 2020**

The additional data presented in the Profit & Loss Statement and Trading accounts is in accordance with the books and records of the Engadine RSL & Citizens Club Limited (our client) which have been subjected to the auditing procedures applied in the statutory audit of the company for the year ended 31 December 2020. It will be appreciated that the statutory audit did not cover all details of the financial data and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than our client) in respect of such data, including any errors or omissions therein however caused.

Name of Firm: Maher Partners Assurance Pty Limited
Chartered Accountants

Name of Principal:



Jason Maher

Address: Taren Point

Dated this 22nd day of February 2021

ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
INCOME		
Bar Trading Account	324,512	538,608
Poker Machines Trading Account	1,591,142	2,022,661
KENO Trading Account	(672)	(232)
TAB Trading Account	(14,375)	(21,171)
	1,900,607	2,539,866
OTHER INCOME		
Interest Received	-	4
Bingo Income	45,048	124,687
Functions Income	29,256	67,674
Recoveries	6,455	-
Raffle Income	49,110	171,756
Commissions	43,853	50,170
Subscriptions Received	38,492	38,309
Other Income	5,573	9,924
Government Subsidies	407,500	-
Profit on Sale of Non-current Assets	1,029	127,910
	626,316	590,434
	2,526,923	3,130,300

The accompanying notes form part of these financial statements.

ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
EXPENSES		
Accountancy Fees	13,665	12,525
Advertising & Promotions	23,028	53,564
Auditor's Remuneration	15,000	15,000
Bank Charges	11,552	9,591
Bank Interest	-	15,025
Bingo Expenses	53,094	157,054
Cleaning & Laundry	28,132	44,780
Depreciation - Buildings	265,858	251,946
Depreciation - Plant & Equipment	103,809	100,580
Directors Expenses	4,933	20,170
Donations	50,373	58,884
Entertaining	71,379	208,174
Function Expenses	5,077	10,035
General Expenses	32,373	47,062
Insurance	85,401	81,463
Leasing Charges	6,302	6,133
Legal & Consulting Fees	8,121	658
Light & Power	94,465	129,685
Member Benefits	55,593	95,281
Payroll Tax	10,095	31,119
Postage & Telephone	17,833	29,271
Poker & Trivia Expenses	47,785	83,357
Printing & Stationery	10,538	15,118
Provision for Holiday Pay	19,368	(2,424)
Provision for Long Service Leave	10,338	19,783
Raffle & Members Draw Expenses	80,758	311,474
Rates & Taxes	30,141	28,488
Repairs & Maintenance	99,995	119,886
Security	32,421	36,164
Staff Meals & Amenities	2,588	4,520
Staff Training	2,113	5,506
Superannuation Contributions	112,045	142,563
Travelling Expenses (net)	(924)	(5,781)
Wages	534,570	503,766
Workers Compensation	26,594	36,207
	1,964,413	2,676,627
Profit from ordinary activities before income tax	562,510	453,673

The accompanying notes form part of these financial statements.

ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
BAR TRADING ACCOUNT		
Bar Sales	1,321,386	1,930,846
Less: Cost of Goods Sold		
Opening Stock	44,485	50,717
Purchases	439,375	671,040
Closing Stock	(39,244)	(44,485)
	444,616	677,272
Gross Profit from Trading	876,770	1,253,574
Less: Direct Costs		
Cleaning & Laundry	34,558	55,009
Depreciation - Bar	11,608	10,033
Members' Discounts	102,410	150,279
Repairs & Maintenance	9,596	18,279
Stocktaking Fees	4,200	5,700
Wages	389,886	475,666
	552,258	714,966
Net Profit from Trading	324,512	538,608

The accompanying notes form part of these financial statements.

ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
<hr/>		
POKER MACHINES TRADING ACCOUNT		
Net Poker Machine Takings	<u>2,798,042</u>	<u>3,503,580</u>
Less: Direct Costs		
Cleaning & Laundry	5,183	8,251
Depreciation - Poker Machines	368,077	354,261
Poker Machine Taxes	446,368	591,733
Poker Machine Prizes	72,841	141,091
Repairs & Maintenance	38,477	69,177
Unclaimed Jackpots	385	223
Poker Machine Monitoring Cost	37,221	43,624
Wages	<u>238,348</u>	<u>272,559</u>
	<u>1,206,900</u>	<u>1,480,919</u>
Net Profit from Trading	<u><u>1,591,142</u></u>	<u><u>2,022,661</u></u>

The accompanying notes form part of these financial statements.

ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
<hr/>		
KENO TRADING ACCOUNT		
Keno Commissions Received	<u>37,219</u>	<u>49,821</u>
Less: Direct Costs		
Cleaning & Laundry	1,607	2,558
Depreciation - Keno	98	50
Repairs & Maintenance	6,918	10,042
Prizes & Promotions	4,268	7,050
Wages	<u>25,000</u>	<u>30,353</u>
	<u>37,891</u>	<u>50,053</u>
Net Loss from Trading	<u><u>(672)</u></u>	<u><u>(232)</u></u>

The accompanying notes form part of these financial statements.

ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
TAB TRADING ACCOUNT		
TAB Commission Received	<u>21,797</u>	<u>29,417</u>
Less: Direct Costs		
Cleaning & Laundry	3,213	5,114
Depreciation - TAB	739	762
Repairs & Maintenance	7,220	14,359
Wages	<u>25,000</u>	<u>30,353</u>
	<u>36,172</u>	<u>50,588</u>
Net Loss from Trading	<u><u>(14,375)</u></u>	<u><u>(21,171)</u></u>

The accompanying notes form part of these financial statements.

ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978

DETAILED EXPENSE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
<u>Donations</u>		
Assistance Dogs of Australia	20,000	-
Drought Relief	-	250
Engadine Community Services	-	8,400
Engadine Dragons Cricket Club	-	2,200
Engadine Dragons JRLFC	-	4,000
Engadine Eagles Netball	2,000	2,000
Engadine Eagles Soccer	-	10,000
Engadine Rotary Club	-	4,000
Engadine RSL Sub Branch	2,500	10,000
Era Surf Club	-	1,750
Heathcote Hawks	3,000	3,000
Heathcote High School P&C Association	-	5,000
Koori Kids	400	-
Other Donations	19,473	3,284
St John Bosco Baseball & Softball Club	3,000	3,000
St John Bosco Hockey Club	-	500
Yarrawarrah Tigers Baseball	-	1,500
	50,373	58,884
<u>General Expenses</u>		
General Expenses	1,450	5,638
Cash Shortages	(355)	179
First Aid	2,886	509
Floral Tributes	377	833
Mortality Fund	500	-
Staff and Directors' Uniforms	1,203	5,336
Subscriptions, Registrations & Licences	24,361	34,376
Trophies & Awards	1,778	-
Welfare	173	191
	32,373	47,062

The accompanying notes form part of these financial statements.

ENGADINE RSL & CITIZENS CLUB LIMITED
ABN: 91 000 966 978

DETAILED EXPENSE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
<hr/>		
<u>Director Expenses</u>		
Complimentary Food and Liquor	1,702	5,438
Travel Expenses	447	4,560
Meeting and Training Expenses	2,784	10,172
	<hr/>	<hr/>
	4,933	20,170
	<hr/>	<hr/>

The accompanying notes form part of these financial statements.