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DENMAN NSW 2328  
A.B.N: 44 000 874 304

# DENMAN RSL CLUB ANNUAL REPORT

## YEAR ENDED 30 JUNE 2021 NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the  
Denman R S L Sub-Branch Club will be held on  
Sunday 28 October 2021 at 12 noon  
at the Club's premises Isobel St, Denman 2328.

### BUSINESS

1. To confirm the Minutes of the previous Annual General Meeting.
2. To receive and consider the Balance Sheet, Profit and Loss Account and the Report of the Directors and Auditors for the Year Ended 30 June 2021.
3. To elect a Patron(s).
4. To announce the Board of Directors for the ensuing year.
5. Proposal for amendment to Denman RSL Club Constitution  
The Board has approved and proposes to amend the Denman RSL Club Constitution by changing Item 36(a) from - "The quorum for meetings of the Board shall be five (5) members present in accordance with the Constitution." to read - "The quorum for meetings of the Board shall be a simple majority of existing Board members.
6. To transact any other business which may be brought forward in accordance with the Articles of Association.

By Order of the Board  
Paul Sainsbury –President  
Denman RSL Club  
1 November 2021

## President's report

The Board of Directors would like to present the Annual report for the financial year 2020-2021.

Another year with a difficult business climate and uncertainty within our industry has led to a significant decrease in revenue, whilst in line with 2019-20 we are trading at about a 30% decline to traditional annual revenues. The major decline is in gaming revenue and demonstrates the impact of lockdowns, social distancing, and nervousness of our members to actively move about freely in their community and frequent their chosen entertainment venue.

The Denman RSL has posted a loss for the financial year of -\$24,332.44 (2019-20 \$286,363.43) this is after depreciation costs of \$73,120.42.

Our Cash at Bank position remained steady with 2019-20 at \$664,216.43, even though we spent heavily on both repairs and capital upgrades to our club, mainly in our gaming area to the extent of \$80,000.

The ability to spend on upgrades and keep our cash position steady was due to the success of our "Cost out Program" initiated early 2020 at the request of our members and it is starting to show dividends.

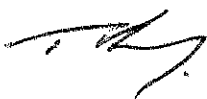
Although revenues for the past two years are similar expenses are significantly different with  
2019-20 at \$821,718.33  
2020-21 at \$709,004.39

This is due to some difficult decisions being made by the board and some restructuring of operations.

The Board and staff need to be congratulated on removing cost from the operation to match the trading times and the fact that all key staff have been retained during such a tumultuous couple of years is pleasing to the Board.

With the easing of state Covid controls at our doorstep and certainty of trading presenting itself we are in a very good position to be successful in the coming years as our patronage comes back to traditional levels.

Paul Sainsbury



President Denman RSL Club

**DENMAN R S L SUB-BRANCH CLUB**  
**ABN 44 000 874 304**

**DIRECTORS REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

Your directors present this report on the entity for the financial year ended 30 June 2021.

**Directors**

The names of each person who has been a director during the year and to the date of this report are:

<b>Names</b>	<b>Qualifications</b>	<b>Service</b>
T. Brown	Bank Employee	1 year
J. Bruns	Technician	2 years
K.D. Lacey	Storeman	16 years
D. Pascoe	Electrical Fitter	4 years
D. Roe	Retired	2 years
P. Sainsbury	Engineering Manager	2 years
C. Wallace	Administration	2 years

The company secretary as at the date of this report is Casey Wallace.

**Operating Results**

The operating result after income tax expense amounted to a loss of \$24,332.44 (2020 loss \$286,363.43). The 2020 loss included writing off preliminary refurbishment building costs to the value of \$166,862.53.

Bar and poker machine revenue have suffered again due to the prolonged period of restricted trading conditions. Government subsidies received in the form of Cash Flow Boost and JobKeeper, in particular, totalled \$54,164.25 (compared to \$58,273.75 in 2020).

The entity spent over \$80,000 on TAB and poker machine area capital upgrades and other ongoing maintenance during the reduced trading hours.

**Principal Activities**

The principal activities of the entity during the financial year were the provision of recreational facilities and amenities for members and their guests.

No significant change in the nature of these activities occurred during the year.

**Short-Term and Long-Term Objectives**

The entity's short-term objectives are to:

- Provide members and their guests with the best facilities and services the entity can provide with the resources available, as well as periodic entertainment that is in line with the community's needs.

The entity's long-term objectives are to:

- Provide increased and diversified facilities for its membership base, which is in line with the director's strategic planning which is continually reviewed.
- Continue to provide financial support to charities and sporting organisations in the local community.

**Strategies**

To achieve its stated objectives, the entity has adopted the following strategies:

- Proactive marketing of functions and all entity facilities.
- Implement certified customer service training for all eligible staff.
- Investigate possible diversification opportunities.
- Seek membership base in line with local community demographics.

**DENMAN R S L SUB-BRANCH CLUB**  
**ABN 44 000 874 304**  
**DIRECTORS REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**Key Performance Measures**

The entity measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the entity and whether the entity's short-term and long-term objectives are being achieved. The key performance measures used include:

- Customer feedback through verbal and written correspondence.
- Quarterly financial reviews.
- Reviews of membership movements annually.
- Annual guest register turnover.

**Meetings of Directors**

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

<b>Names</b>		<b>Board Meetings Held</b>	<b>Board Meetings Attended</b>
T. Brown	Appointed 17/01/2021	6	5
J. Bruns		12	5
K. D. Lacey		12	12
R. McInerney	Ceased 12/10/2020	3	0
D. Pascoe		12	6
D. Roe		12	11
P. Sainsbury		12	12
C. Wallace		12	12

**Members Guarantee**

The entity is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the entity. At as 30 June 2021, the total amount that members of the entity are liable to contribute if the entity is wound up is \$13,700 (2020: \$17,360).

**Subsequent Event**

Subsequent to 30 June 2021, the COVID-19 Public Health Order forced closure resulted in lost days of trading for the Club.

**Auditor's Independence Declaration**

The lead auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on the following page of the financial report.

The directors' report is signed in accordance with a resolution of the Board of Directors.

*DA Roe*

**Director**  
**25 October 2021**  
**Denman**



**Davies, Thompson & Wright**

ABN 70 340 182 044

**CHARTERED ACCOUNTANTS**

**PARTNERS**

Timothy G. Looby	B.Ec. Dip.Fin.Man. C.A.
Tracey L. Lawler	B.Comm. C.A.
Scott P. Collins	B.Comm./B.Econ. C.A

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**AUDITORS' INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF  
DENMAN R S L SUB-BRANCH CLUB**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Denman R S L Sub-Branch Club. As the lead audit partner for the audit of the financial report of Denman R S L Sub-Branch Club for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

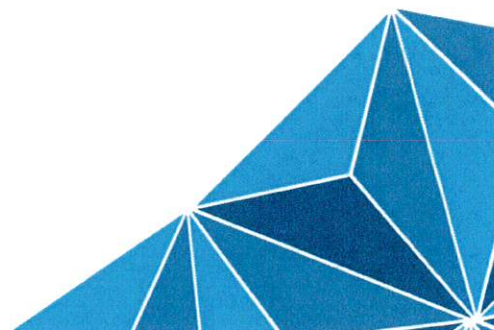
- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

**Name of Firm:** Davies Thompson & Wright  
Chartered Accountants

**Name of Partner:**   
Tracey L Lawler

**Address:** 60 Brook Street, MUSWELLBROOK NSW 2333

**Dated this 19th day of October 2021**



**DENMAN R S L SUB-BRANCH CLUB**  
**ABN 44 000 874 304**

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

	Note	2021 \$	2020 \$
<b>INCOME</b>			
Revenue	<b>3</b>	757,770.16	787,697.83
Changes in inventories		22.21	(170.19)
Bar purchases		(189,322.24)	(168,222.59)
<b>EXPENDITURE</b>			
Building upgrade write-off		-	(166,862.53)
Depreciation and amortisation expenses		(73,120.42)	(78,810.21)
Directors' fees		-	(6,500.00)
Employee benefits expenses		(205,503.53)	(282,242.95)
Other expenses		(314,178.62)	(371,252.79)
<b>Profit (Loss) for the Year</b>	<b>4</b>	<u>(24,332.44)</u>	<u>(286,363.43)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>(24,332.44)</u>	<u>(286,363.43)</u>

The accompanying notes form part of these financial statements.

**DENMAN R S L SUB-BRANCH CLUB**  
**ABN 44 000 874 304**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	664,216.43	662,033.03
Trade and other receivables	6	6,895.12	21,379.75
Inventories	7	21,558.22	21,536.01
Provision of Income Tax	8	-	233.00
Other current assets	9	48,606.20	43,945.20
<b>TOTAL CURRENT ASSETS</b>		<u>741,275.97</u>	<u>749,126.99</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	1,166,565.93	1,159,535.71
<b>TOTAL NON-CURRENT ASSETS</b>		<u>1,166,565.93</u>	<u>1,159,535.71</u>
<b>TOTAL ASSETS</b>		<u>1,907,841.90</u>	<u>1,908,662.70</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	99,315.26	59,581.17
Other current liabilities	12	22,036.00	26,980.00
Borrowings	13	13,828.56	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>135,179.82</u>	<u>86,561.17</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	13	82,297.09	105,014.60
Provisions	14	3,457.63	5,847.13
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>85,754.72</u>	<u>110,861.73</u>
<b>TOTAL LIABILITIES</b>		<u>220,934.54</u>	<u>197,422.90</u>
<b>NET ASSETS</b>		<u>1,686,907.36</u>	<u>1,711,239.80</u>
<b>EQUITY</b>			
Reserves	15	50,707.35	50,707.35
Retained earnings		1,636,200.01	1,660,532.45
<b>TOTAL EQUITY</b>		<u>1,686,907.36</u>	<u>1,711,239.80</u>

The accompanying notes form part of these financial statements.

**DENMAN R S L SUB-BRANCH CLUB**  
**ABN 44 000 874 304**

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

	Retained Earnings \$	General Reserve \$	Total \$
<b>Balance at 1 July 2019</b>	1,946,895.88	50,707.35	1,997,603.23
Profit/(Loss) attributable to equity shareholders	(286,363.43)	-	(286,363.43)
<b>Balance at 30 June 2020</b>	1,660,532.45	50,707.35	1,711,239.80
Profit/(Loss) attributable to equity shareholders	(24,332.44)	-	(24,332.44)
<b>Balance at 30 June 2021</b>	1,636,200.01	50,707.35	1,686,907.36

The accompanying notes form part of these financial statements.



**DENMAN R S L SUB-BRANCH CLUB**  
**ABN 44 000 874 304**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
		INFLOWS (OUTFLOWS)	INFLOWS (OUTFLOWS)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		762,687.69	780,389.63
Payments to suppliers and employees		(688,183.11)	(845,329.02)
Interest received		2,942.16	4,885.90
Finance Costs		(4,286.25)	(253.44)
<b>Net cash generated from operating activities</b>		<u>73,160.49</u>	<u>(60,306.93)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		18,630.00	-
Payments for property, plant and equipment		(80,718.14)	(36,568.95)
<b>Net cash used in investing activities</b>		<u>(62,088.14)</u>	<u>(36,568.95)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		(8,888.95)	-
Loan funding received		-	100,000.00
<b>Net cash used in financing activities</b>		<u>(8,888.95)</u>	<u>100,000.00</u>
Net increase/(decrease) in cash held		2,183.40	3,124.12
<b>Cash and cash equivalents at the beginning of financial year</b>		<u>662,033.03</u>	<u>658,908.91</u>
<b>Cash and cash equivalents at end the of financial year</b>	<b>5</b>	<u>664,216.43</u>	<u>662,033.03</u>

The accompanying notes form part of these financial statements.

**DENMAN R S L SUB-BRANCH CLUB**  
**ABN 44 000 874 304**

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

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The financial statements are for Denman R S L Sub-Branch Club as an individual company, incorporated and domiciled in Australia. Denman R S L Sub-Branch Club is a company limited by guarantee.

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation**

Denman R S L Sub-Branch Club applies Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards*.

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in 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 stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual 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.

**COVID-19 & Subsequent Event**

The directors of the club have considered the effect of COVID-19 on the club accounting policies and practices and determined that no material adjustments were to be applied in the preparation of the financial statements.

Subsequent to 30 June 2021, the COVID-19 Public Health Order forced closure resulted in lost days of trading for the Club. The Club received government financial support to assist with costs during this lockdown period. No material adjustments have been made to this report as a result of this closure.

**2 Accounting Policies**

**Revenue**

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer. Interest revenue is recognised on an accrual basis for bank term deposits. Poker machine revenue is stated net of payouts. All revenue is stated net of the amount of Goods and Services Tax.

**Inventories**

Inventories are measured at the lower of cost and current replacement cost.

**Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and any impairment losses. In the event the carrying amount of property, plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

**Depreciation**

The depreciable amount of all fixed assets, including capitalised leased assets but excluding freehold land, is depreciated over the asset's useful life to the entity commencing from the time the asset is held ready for use. Buildings are depreciated on a straight-line basis. Buildings on properties held for investment purposes are not separately valued on purchase so no depreciation charge has been calculated.

**DENMAN R S L SUB-BRANCH CLUB**  
**ABN 44 000 874 304**

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

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

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings	2.5%
Plant and Equipment	3.0 to 100%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in the profit or loss in the period in which they arise. Gains are not classified as revenue. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

**Leases**

Lease payments for operating leases that are not considered material, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

**Financial Instruments**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. Financial instruments are measured at cost.

Financial assets are derecognised when 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 when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount 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 and loss.

**Impairment of Assets**

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss. Where it is not possible to estimate the recoverable amount of an asset class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belongs.

**Employee Benefits**

Provision is made for the entity's liability for long service leave arising from services rendered by employees to the end of the reporting period. Long service leave is accrued in respect of all employees with more than 5 years' service with the entity. Long service leave is classified as a non-current liability and has been measured at cost.

Superannuation guarantee contributions are made by the entity to the employee's superannuation fund of choice and are recognised as an expense when they become payable. All obligations for unpaid superannuation guarantee contributions are presented as current liabilities in the entity's statement of financial position.

**Cash and Cash Equivalents**

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

**DENMAN R S L SUB-BRANCH CLUB**

**ABN 44 000 874 304**

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

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**Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position. Cash flows are presented in the statement of cash flows exclusive of GST.

**Income Tax**

Income tax expense, shown on the statement of profit or loss and other comprehensive income, is calculated in accordance with the Waratah's formula. It is calculated on an annual basis, with a corresponding provision for income tax payable raised.

Deferred tax assets relating to temporary timing differences and unused tax losses are recognized only to the extent that it is probable that future taxable profit will be available to absorb those timing differences.

**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.

**Comparative Figures**

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

**Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the entity during the reporting period that remain unpaid at the end of the reporting period. The balance is usually recognised as a current liability with the amounts normally paid within thirty days of recognition of the liability. Liabilities that are not due and payable within twelve months are recognised as a non-current liability.

**Critical Accounting Estimates and Judgements**

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

**Investment Property**

Investment property, comprising rental properties, is held to generate long-term rental yields. All tenant leases are on an arm's length basis. Investment property is carried at cost.

**DENMAN R S L SUB-BRANCH CLUB**  
**ABN 44 000 874 304**

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

	2021 \$	2020 \$
<b>3 Revenue and Other Income</b>		
<b>Revenue</b>		
Sales revenue:		
Bar and poker machine income	605,147.93	635,092.87
Other revenue:		
Interest received	2,942.16	4,885.90
Government Subsidies	54,164.25	58,273.75
Other revenue	95,515.82	89,445.31
	<u>152,622.23</u>	<u>152,604.96</u>
Total revenue	<u>757,770.16</u>	<u>787,697.83</u>
<b>Other revenue from:</b>		
Commission	32,637.74	36,284.11
Profit on Sale of Non-Current Assets	18,458.50	-
GST Rebate	17,180.00	17,180.00
Lion Nathan Rebate	10,000.00	-
Gross Profit on Rental Operations	6,533.72	9,882.14
Restaurant Income	5,050.00	2,018.63
Miscellaneous Income	3,554.32	9,900.46
Members' Subscriptions	2,101.54	2,721.94
Recoveries	-	11,458.03
Total other revenue	<u>95,515.82</u>	<u>89,445.31</u>
<b>4 Profit for the year</b>		
The result for the year was derived after charging / (crediting) the following items:		
Profit before income tax from continuing operations includes the following specific expenses:		
<b>Expenses</b>		
Cost of sales	189,300.03	168,392.78
Depreciation of property, plant and equipment	73,120.42	78,810.21
<b>5 Cash and Cash Equivalents</b>		
Cash on Hand	46,040.00	38,110.00
Cash at Bank – ANZ Bank	132,408.26	130,450.67
Cash at Bank – Regional Australia Bank	485,768.17	493,472.36
	<u>664,216.43</u>	<u>662,033.03</u>
<b>Reconciliation of cash</b>		
Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:		
Cash and cash equivalents	<u>664,216.43</u>	<u>662,033.03</u>

**DENMAN R S L SUB-BRANCH CLUB**  
**ABN 44 000 874 304**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	2021 \$	2020 \$
<b>6 Trade and Other Receivables</b>		
<b>Current</b>		
GST Refundable	1,750.00	3,497.84
Trade & Other Debtors	5,145.12	17,881.91
	<u>6,895.12</u>	<u>21,379.75</u>
<b>7 Inventories</b>		
<b>Current</b>		
Stock on Hand	21,558.22	21,536.01
	<u>                    </u>	<u>                    </u>
<b>8 Provision for Income Tax</b>	<u>-</u>	<u>233.00</u>
<b>9 Other Assets</b>		
<b>Current</b>		
Deposits- Refundable	310.00	310.00
Accrued Income	757.00	446.00
Prepayments	45,775.00	40,585.00
Prepaid Borrowing Expenses	1,764.20	2,604.20
	<u>48,606.20</u>	<u>43,945.20</u>
<b>10 Property, Plant and Equipment</b>		
<b>Land and Buildings</b>		
Investment Properties - at Cost	271,153.35	271,153.35
Less: Accumulated Depreciation	(36,769.54)	(36,373.54)
Club Land & Buildings - at Cost	1,707,446.02	1,704,336.02
Less: Accumulated Depreciation	(966,310.70)	(931,484.70)
<b>Total Land and Buildings</b>	<u>975,519.13</u>	<u>1,007,631.13</u>
Plant and Equipment - at Cost	436,597.85	434,607.85
Less: Accumulated Depreciation	(372,948.91)	(368,870.64)
	<u>63,648.94</u>	<u>65,737.21</u>
Poker Machines - at Cost	489,131.23	475,661.73
Less: Accumulated Depreciation	(411,228.55)	(434,605.40)
	<u>77,902.68</u>	<u>41,056.33</u>
Furniture and Fittings	173,135.75	156,827.61
Less: Accumulated Depreciation	(132,551.51)	(120,627.51)
	<u>40,584.24</u>	<u>36,200.10</u>
Crockery and Cutlery	8,910.94	8,910.94
<b>Total Plant and Equipment</b>	<u>191,046.80</u>	<u>151,904.58</u>
<b>Total Property, Plant and Equipment</b>	<u>1,166,565.93</u>	<u>1,159,535.71</u>

These notes form part of the financial statements.

**DENMAN R S L SUB-BRANCH CLUB**  
**ABN 44 000 874 304**

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

**Movements in Carrying Amounts of Property, Plant and Equipment**

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 and Buildings	Plant and Equipment	Poker Machines	Furniture and Fittings
	\$	\$	\$	\$
Balance at 1 July 2020	1,007,631.13	65,737.21	41,056.33	36,200.10
Additions	3,110.00	11,480.00	49,820.00	16,308.14
Disposals	-	(125.00)	(46.50)	-
Depreciation expense	(35,222.00)	(13,443.27)	(12,927.15)	(11,924.00)
Carrying amount at 30 June 2021	975,519.13	63,648.94	77,902.68	40,584.24

**Core and Non-Core Property**

In accordance with provisions under Section 41J(2) of the Registered Clubs Act the directors have classified the following assets as core property of the company:

- Club land and buildings and improvements.

	2021 \$	2020 \$
<b>11 Trade and Other Payables</b>		
<b>Current</b>		
Trade Creditors	99,315.26	59,581.17
	<u>99,315.26</u>	<u>59,581.17</u>
<b>12 Other Liabilities</b>		
<b>Current</b>		
Bond Refundable	-	800.00
Accrued Charges	18,286.00	22,541.00
Income in Advance	3,750.00	3,639.00
	<u>22,036.00</u>	<u>26,980.00</u>
<b>13 Borrowings</b>		
<b>Current</b>		
Bank Loan	13,828.56	-
	<u>13,828.56</u>	<u>-</u>
<b>Non-Current</b>		
Bank Loan	82,297.09	105,014.60
	<u>96,125.65</u>	<u>105,014.60</u>

The bank debt is secured by first registered mortgages over properties at: 2-4 Isobel Street Denman, 13 Crinoline Street Denman, and 15 Crinoline Street Denman. Current interest rate is 4.49%. A Specific Security Agreement is held over the Liquor Licence and Gaming Licence. A General Security Agreement is held over all present and acquired property.

**DENMAN R S L SUB-BRANCH CLUB**  
**ABN 44 000 874 304**

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

	2021 \$	2020 \$
<b>14 Provisions</b>		
<b>Provision for Long Service Leave</b>		
Provision for Long Service Leave	5,847.13	16,100.00
Additional provisions raised during the year	(1,057.49)	21.34
Amounts used	(1,332.01)	(10,274.21)
<b>Total provisions</b>	<u>3,457.63</u>	<u>5,847.13</u>
<b>Analysis of Total Provisions</b>		
Non-current	<u>3,457.63</u>	<u>5,847.13</u>
<b>15 Reserves</b>		
Capital Reserves	<u>50,707.35</u>	<u>50,707.35</u>

**16 Related Party Transactions**

**Directors**

The names of persons who were directors of the entity during the financial year are set out in the Directors Report. Directors while carrying out their duties at meetings and on other occasions are provided with drinks on a complimentary basis. They also receive meals and drinks annually at the directors/staff Christmas party held by the entity.

Honorariums are paid to the directors of the entity for their services, as passed at the Annual General Meeting each year. All other transactions with directors are at normal commercial terms and conditions no more favourable than available to other parties.

**Key Management Personnel Compensation**

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. The totals of remuneration paid to key management personnel of the entity during the year are as follows:

<b>Key Management Personnel Compensation</b>	<u>-</u>	<u>6,500.00</u>
--	----------	-----------------

No formal written employment contracts have been entered into for key management personnel during the year.

**Other Related Party Transactions**

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Relatives of directors and key management personnel who are or were employed by the entity are employed on normal terms and conditions under the relevant club award and are listed below:

Director P Sainsbury – relative is employed by the club (Sandra Russell)

**17 Capital Expenditure Commitments**

The entity has no material planned capital expenditure as at 30 June 2021.



**DENMAN R S L SUB-BRANCH CLUB**  
**ABN 44 000 874 304**

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

	2021	2020
	\$	\$
<b>18 Operating Lease Commitments</b>		
The entity leased three poker machines and Hyperlink signage from Aristocrat Technologies Australia Pty Ltd over thirty-six months from 14 February 2018, with the final payment made 14 January 2021.		
The company's operating lease commitments including GST as at balance date are:		
Payable - minimum rental payments:		
- not later than twelve months	-	40,946.40
- later than twelve months but not later than five years	-	-
- greater than five years	-	-
	<hr/>	<hr/>
	-	40,946.40
	<hr/>	<hr/>

**19 Entity Details**

DENMAN R S L SUB-BRANCH CLUB

The registered office and principal place of business of the entity is:

42 Paxton Street

DENMAN NSW 2328

**DENMAN R S L SUB-BRANCH CLUB**

**ABN 44 000 874 304**

**DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Denman R S L Sub-Branch Club, the directors of the entity declare that:

1. The financial statements and notes satisfy the requirements of the Corporations Act 2001 and:
  - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements applicable to the entity; and
  - (b) give a true and fair view of the financial position of the entity as at 30 June 2021 and of its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

*DA Roe*

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**Director**

**25 October 2021**

**Denman**



## Davies, Thompson & Wright

ABN 70 340 182 044

CHARTERED ACCOUNTANTS

### PARTNERS

Timothy G. Looby	B.Ec. Dip.Fin.Man. C.A.
Tracey L. Lawler	B.Comm. C.A.
Scott P. Collins	B.Comm./B.Econ. C.A.

60 Brook Street  
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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENMAN R S L SUB-BRANCH CLUB ABN 44 000 874 304

#### Opinion

We have audited the financial report of Denman R.S.L. Sub-Branch Club, which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

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

- (i) giving a true and fair view of the entity's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Denman R.S.L. Sub-Branch Club, would be in the same terms if given to the directors as at the time of this auditor's report.

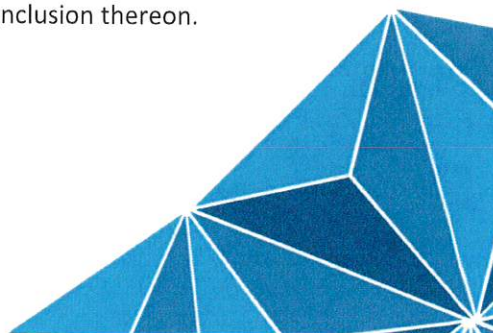
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Matter- Effects and Uncertainties of COVID-19

The possible ongoing effects and uncertainties on the Club arising from ongoing issues associated with COVID-19 are unknown as at the date of this report. Our opinion is not modified in respect of this matter.

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

The directors are responsible for the other information. The other information comprises the information included in the entity's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.





## Davies, Thompson & Wright

ABN 70 340 182 044

CHARTERED ACCOUNTANTS

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENMAN R S L SUB-BRANCH CLUB ABN 44 000 874 304

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

#### Responsibilities of the Directors for the Financial Report

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

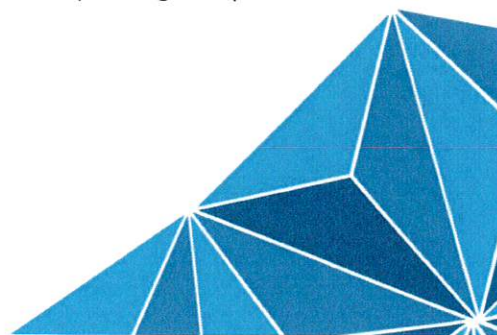
In preparing the financial report, the directors are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the entity or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

#### Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.







## Davies, Thompson & Wright

ABN 70 340 182 044

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENMAN R S L SUB-BRANCH CLUB ABN 44 000 874 304

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the entity audit. We remain solely responsible for our audit opinion.

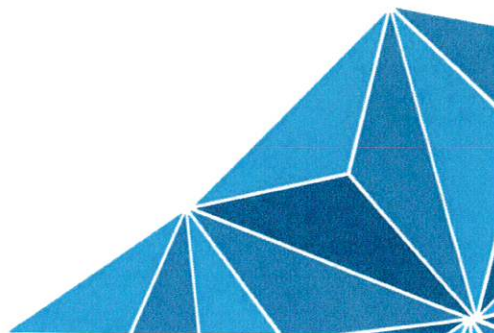
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Name of Firm:** Davies Thompson & Wright  
Chartered Accountants

**Name of Partner:**   
Tracey L Lawler

**Address:** 60 Brook Street, MUSWELLBROOK NSW 2333

**Dated this 26th day of October 2021**





## Davies, Thompson & Wright

ABN 70 340 182 044

CHARTERED ACCOUNTANTS

### PARTNERS

Timothy G. Looby	B.Ec. Dip.Fin.Man. C.A.
Tracey L. Lawler	B.Comm. C.A.
Scott P. Collins	B.Comm./B.Econ. C.A.

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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF DENMAN R S L SUB-BRANCH CLUB  
ABN 44 000 874 304**

### Scope

Our Independent Auditors' Report on the financial report of Denman R S L Sub-Branch Club, which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration, presented on the preceding pages, does not relate to the additional financial information presented hereinafter.

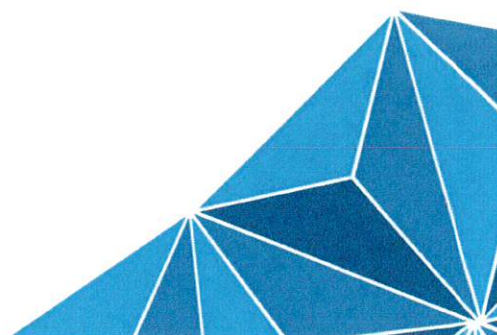
This additional information presented in the following report, namely the detailed profit and loss statement has been prepared from the accounting records of the entity and we do not express an opinion thereon.

**Name of Firm:** Davies Thompson & Wright  
Chartered Accountants

**Name of Partner:**   
Tracey L Lawler

**Address:** 60 Brook Street, MUSWELLBROOK NSW 2333

**Dated this 26th day of October 2021**



**DENMAN R S L SUB-BRANCH CLUB**  
**ABN 44 000 874 304**  
**DETAILED PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	2021 \$	2020 \$
<b>BAR TRADING</b>		
Sales	342,291.30	296,933.19
<b>LESS: COST OF GOODS SOLD</b>		
Opening Stock	21,536.01	21,706.20
Purchases	189,322.24	168,222.59
Closing Stock	(21,558.22)	(21,536.01)
	189,300.03	168,392.78
<b>GROSS PROFIT 44.70 % (2020 YEAR 43.29%)</b>	152,991.27	128,540.41
<b>LESS: DIRECT COST</b>		
Bar Running Expenses	3,752.50	2,383.22
Wages	112,338.47	136,452.18
	116,090.97	138,835.40
<b>GROSS PROFIT FROM TRADING</b>	36,900.30	(10,294.99)
<b>POKER MACHINE TRADING</b>		
Nett Poker Machine Revenue	262,856.63	338,159.68
<b>LESS: DIRECT COST</b>		
Repairs	14,462.50	9,648.62
Poker Machine Lease Expenses	34,122.00	28,588.00
Data Monitoring Services	11,744.04	9,329.25
Global Gaming Fee	2,400.00	2,000.00
	62,728.54	49,565.87
<b>GROSS PROFIT FROM TRADING</b>	200,128.09	288,593.81
<b>TOTAL GROSS PROFIT FROM TRADING</b>	237,028.39	278,298.82

**DENMAN R S L SUB-BRANCH CLUB**  
**ABN 44 000 874 304**

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

	2021 \$	2020 \$
<b>INCOME</b>		
Gross Profit from Trading	237,028.39	278,298.82
Government Subsidies	54,164.25	58,273.75
Commission	32,637.74	36,284.11
Profit on Sale of Non-Current Assets	18,458.50	-
GST Rebate	17,180.00	17,180.00
Lion Nathan Rebate	10,000.00	-
Gross Profit on Rental Operations	6,533.72	9,882.14
Restaurant Income	5,050.00	2,018.63
Miscellaneous Income	3,554.32	9,900.46
Interest Received	2,942.16	4,885.90
Members' Subscriptions	2,101.54	2,721.94
Recoveries	-	11,458.03
	389,650.62	430,903.78
<b>EXPENSES</b>		
Auditor's Remuneration	7,200.00	6,750.00
Accounting Fees	13,700.00	21,750.00
Bank Charges	2,000.59	2,315.24
Borrowing Costs	840.00	840.00
Building Upgrade Write-Off	-	166,862.53
Cleaning	10,067.44	14,204.08
Computer Software & Service	2,036.90	4,527.28
Depreciation	73,120.42	78,810.21
Directors' Expenses	5,367.27	4,358.19
Donations	5,277.19	5,055.07
Electricity	21,895.46	31,532.30
Entertainment and Amenities	37,157.01	59,497.44
Fringe Benefits Tax	-	1,447.13
General Expenses	1,445.48	54.50
Hire of Plant and Equipment	-	3,668.28
Honorarium	-	6,500.00
Insurance	31,698.21	33,410.89
Interest Paid	4,286.25	253.44
Keno Expenses	5,397.51	3,814.13
Legal Costs	-	1,031.84
Long Service Leave	(2,389.50)	21.34
Postage, Stationery and Advertising	5,971.22	12,670.45
Rates	6,317.13	13,348.65
Recorded Cash Unders/(Overs)	632.82	2,154.04
Repairs and Maintenance	39,770.29	47,075.28
Restaurant Expenses	15,339.01	12,806.13
Security Costs	2,665.21	1,642.22
Staff Training and Welfare	72.72	264.34
Staff Drinks and Amenities	573.89	2,491.35

This detailed statement has been prepared to provide additional financial information  
for members only and does not form part of the audited financial report



**DENMAN R S L SUB-BRANCH CLUB**  
**ABN 44 000 874 304**

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

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Subscriptions and Licences	8,583.91	12,997.54
Superannuation Contributions	16,601.54	23,990.23
Telephone	2,952.97	3,224.77
TAB Expenses	16,052.73	15,719.89
Uniforms	396.37	399.23
Wages	71,382.05	114,543.08
Wages – Keno	5,574.88	5,522.45
Wages – TAB	1,996.09	1,713.67
	<u>413,983.06</u>	<u>717,267.21</u>
<b>PROFIT (LOSS) BEFORE INCOME TAX</b>	<u>(24,332.44)</u>	<u>(286,363.43)</u>