



**BALLINA
RSL**

ANNUAL REPORT

2021



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Ballina RSL Club Limited

1 Grant Street
PO Box 449

Ballina, NSW 2478

ballinarsl.com.au

ABN 62 001 040 839

ACN 001 040 839



BALLINA RSL

2021 Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Ballina RSL Club Limited ACN 001 040 839 (Club) may be held at Ballina RSL Club Limited at Grant Street, Ballina on Sunday, 14th November, 2021 commencing at 9.30am.

It is possible that COVID-19 restrictions will be imposed by the Federal or State Governments which prevent members attending the meeting on the above date and time. If that occurs, the meeting will be adjourned in accordance with the Club's Constitution and members will be advised via the Club's website at <https://ballinarsl.com.au/> of the new date and time of the Annual General Meeting. If it becomes clear after the date of this Notice and ahead of the current scheduled date of the Annual General Meeting, that the COVID-19 restrictions will prevent the meeting being held on 14th November 2021, notice of the proposed adjournment of the meeting will be given on the Club's website, followed by notice of the actual adjournment when that formally occurs on 14th November 2021. Members should therefore regularly check the Club's website for updates on any anticipated adjournment, and also check the Club's website for notice of the formal adjournment (giving details of the new date and time of the Annual General Meeting) should that be necessary.

AGENDA

1. Apologies
2. Confirmation of the Minutes of the Annual General Meeting held on Sunday 15th November 2020.
3. To receive and consider the Annual Report of the Board of Directors:
 - 3.1 Directors Declaration
 - 3.2 Directors Report
 - 3.3 Chairman's Report
 - 3.4 Chief Executive Officer's Report
4. To receive and consider the Statement of Profit and Loss and Comprehensive Income, Statement of Financial Position, Statement of Cashflows, Statement of Changes in Equity, Notes to the Financial Statements, Auditors Independence Declaration and the Independent Auditors Report for the year ended 30th June 2021.
5. To consider, and if thought fit, pass the Ordinary Resolutions as set out below.
6. To consider, and if thought fit, pass the Special Resolution as set out below.
7. For the purposes of clause 4(4) of the *Registered Clubs Regulation 2015 (NSW)* (**Registered Clubs Regulation**), notice will be given of any expressions of interest in an amalgamation along with any unsolicited merger offers received by the Club in the previous 12 months (if any).
8. To deal with any other business that the meeting may approve of, which due notice has not been given.
9. To announce the result of the ballot and to declare those Directors elected for the next two (2) years.

ORDINARY RESOLUTIONS

First Ordinary Resolution

"That pursuant to the *Registered Clubs Act, 1976 (NSW)* (**Registered Clubs Act**), as amended, the members hereby approve and agree to the members of the Board during the period up to the next Annual General Meeting receiving the following benefits and the members further acknowledge that the benefits outlined in subparagraphs (i) to (vii) are not available to members generally, but only to those members who are elected to the Board of the Directors of the Club:

- (i) The reasonable cost of meals and refreshments for each Director before or after each Board or Committee meeting;
- (ii) The reasonable cost in relation to the professional development and education of Directors including:
 - a) Directors attending the Annual General Meeting of ClubsNSW;
 - b) Directors attending other meetings of Associations of which the Club is a member;
 - c) Directors attending seminars, lectures, trade displays, organised study tours, fact finding tours and other similar events as may be determined by the Board from time to time;
 - d) Directors attending other registered clubs or hospitality venues for the purpose of observing their facilities and methods of operation;
 - e) Directors attending conferences and training sessions in relation to their roles and responsibilities under the Registered Clubs Act, *Corporations Act 2001, (Cth)* (**Corporations Act**) and any other relevant legislation; and
 - f) Directors attending functions with partners, where appropriate and required to represent the Club.
- (iii) reasonable expenses incurred by the Directors in travelling by either private or public transport to and from Board or other duly constituted Committee meetings, either within the Club or elsewhere and approved by the Board on production of documentary evidence of such expenditure;
- (iv) reasonable expenses incurred by Directors either within the Club or elsewhere in relation to such other duties including entertainment of special guests of the Club and other promotional activities approved by the Board on production of documentary evidence of such expenditure;
- (v) the reasonable cost of the provision of blazers and associated apparel for the use of each Director when representing the Club;
- (vi) reasonable expenses for the provision of a Chairperson's Dinner once a year and on other such occasions as the Board might approve with the persons in attendance to comprise the Directors and their partners and persons (with their partners) chosen by the Chairperson who have supported the Club during the relevant year and thereby promoted the success of the Club;

(vii) the provision and marking out of car parking spaces for the exclusive use of Directors and disabled persons (being Members or guests of Members)."

(vii) the provision and marking out of car parking spaces for the exclusive use of Directors and disabled persons (being Members or guests of Members)."

Second Ordinary Resolution

"That the current amenities and benefits such as accommodation, administrative services, reasonable refreshments in relation to meetings and commemorative services, being provided for the following groups within the Club are agreed upon by this Annual General Meeting up to the next Annual General Meeting:

- The Returned and Services League of Australia.
- The Naval Association of Australia.
- A.F.C & R.A.A.F Association.
- Korea-S.E. Asia-Vietnam Veterans Association.
- Ballina Ex-Army Association.
- Ballina & District Ex-Service Women's Association.
- Ballina R.S.L Club Sports Council and Affiliated Clubs.
- Ballina R.S.L. Club Limited Life Members."

Third Ordinary Resolution

"That pursuant to the Registered Clubs Act, 1976 as amended, for the period until the next Annual General Meeting the members authorise:

- (a) Payment to the Chairperson of an honorarium of \$12,000 (net of PAYG); and
- (b) That each Director (excluding the Chairperson) be provided with an internal club card facility to a maximum value of; (i) \$250 per month or (ii) \$3,000 for the period up to the next Annual General Meeting to offset any out of pocket expenses and for the purpose of entertaining guests whilst on club premises".

SPECIAL RESOLUTION

"That the Constitution of Ballina RSL Club Ltd (Club) be amended by adding the following new rule 85(d) immediately following rule 85(c):

"(d) Where a notice is sent by post, service of the notice must be given by properly addressing, prepaying and posting the notice, and is taken to have been given in the case of a notice convening a meeting on the day following that on which the notice was posted, and in any other case at the time at which the notice would have been delivered in the ordinary course of post."

Explanatory notes regarding the Special Resolution

1. At the 2020 Annual General Meeting, Rules 84 and 85 were replaced by the current rules 84 and 85. This was to bring the rules more into line with the sending of notices to members under section 249J(2) of the Corporations Act.
2. However, new rule 85 omitted a provision about reckoning of time when notices of meetings are sent to members. Proposed new rule 85(d) is identical to the provision regarding reckoning of time for posting of notices in the previous version of rule 85. Otherwise, rule 85 is unchanged and the 2020 changes to rule 85 are preserved.
3. Under proposed rule 85(d), if a notice of a general meeting is posted to a member, it is deemed to have been given the day after posting. For all other notices, the notice is deemed to be delivered in the ordinary course of posting. This is consistent with the previous version of rule 85 and with the constitutions of most other registered clubs.

GENERAL NOTES TO MEMBERS REGARDING THE ORDINARY AND SPECIAL RESOLUTION

1. To be passed the Ordinary resolutions must receive votes in their favour from a majority of those members who, being eligible to do so, vote in person at the meeting.
2. The proposing of the first, second and third Ordinary Resolutions is a requirement under the Registered Clubs Act.
3. To be passed, the Special Resolution must receive votes in its favour from not less than three-quarters of those Members who are entitled to vote and who vote in person at the meeting.
4. As a result of the Special Resolution provisions of the Corporations Act, the Special Resolution must be considered as a whole and cannot be altered in substance by motions from the floor of the meeting.
5. The Board of Directors recommends to members that they vote in favour of each of the Ordinary Resolutions and the Special Resolution.
6. Members who are employees are not entitled to vote and proxy voting is not permitted under the Registered Clubs Act.

By Order of the Board



WG Coulter
CEO/Company Secretary
20 September, 2021



Chairperson's Report

It is my pleasure to present my first Annual report as Chairperson. It has been a very challenging year for the Club's Board and Management, and we have and will continue to be very conscious of the Government's messaging that we all must "learn to live with COVID-19" and this was front of mind with planning and decision making.

I would like to thank and acknowledge the contribution of outgoing Chairperson, Mr Blue McNally who retired in December 2020 after 14 years as a director and 3½ years as Chairperson. Blue's leadership and advice was invaluable and his dedication to the role is well regarded, and I personally want to thank him for his support and mentoring.

To my fellow Board Members, thank you for your support and diligence during the past 12 months. In unprecedented times, together with Management, we have worked extremely hard to put in place strategies that lay solid foundations for the foreseeable future.

Thank you to the CEO Bill Coulter and his Executive Team for their dedicated work in this challenging trading environment. Enforcing the various restrictions rests with our staff on the frontline. A big thank you to the amazing staff of the Ballina RSL for an outstanding job. They continue to demonstrate professionalism and care for all our members and guests. Bill and his Executive Team have continued to support staff through the lockdown periods, and they are always front of mind.

Investing in the Club's workforce has been a focus of the Board this past 12 months. Initiatives such as enhancing our Employee Assistance Program, investment in additional Human Resource expertise and the rollout of the Ballina RSL Cultural Change Program are just some examples. It was very motivating to hear firsthand, representatives of the Club's Joint Consultative Committee staff present their feedback to the Board from the various organisational

workshops held. Their enthusiasm was heartening, testimony to what great staff the Club has.

We are well aware how difficult the past twelve months has also been for our members. Ballina RSL Club, and in fact all clubs, not only provide great food, beverages and service, but for many members and guests, it is the social connections the Club provides that is equally important. The various restrictions around social distancing has been difficult at times. We want to thank our members and guests for your continued compliance and understanding as staff implement the government regulations that are in place to keep everyone safe.

You'll note from the Club's Financial Report that it retains a solid Balance Sheet and recorded an operating surplus from the Club's activities, after income tax, of \$3,232,690. With the extent of future operating restrictions unknown, the Board, together with the Club's management, continue to closely monitor income and expenditure.

Through our annual Club Grants program, which operates from the 1st of September to the 31st of August each year, the Club will be donating in excess of \$236,000 to a variety of community charitable organisations.

To all those who have lost loved ones during the past year, you have our deepest sympathy, and to all those members who are not enjoying the best of health I wish you a speedy recovery.

We all look forward to more certainty in coming months and welcoming you back to the Club in the very near future.

Darren Murnane
Chairperson



Through our ClubGrants program we purchased a new Anaesthetic Machine for the Operating Theatre at Ballina Hospital.
Pictured: Theatre staff, UHA ladies and Ballina RSL CEO, Bill Coulter and Chairman, Darren Murnane.



Chief Executive Officer's Report

I am pleased to present the Annual Report to members for the year ended 30th June 2021.

The year under review was an extraordinary period for so many individuals and communities across the globe, as the Covid 19 'dice' continued to roll, impacting on organisations and individuals like never before. In respect to our organisation, navigating the implementation of the respective Public Health orders was extremely testing and I am pleased to say that the Board of Directors, management and staff were resolute in ensuring that members and our valued staff were not only supported from the outset but continue to be supported in the future.

It is therefore very pleasing to report an operating surplus in 2020/21 of \$3.2m which provides a sustainable financial platform for the future enabling the club to continue to move forward with new and innovative services and facilities for members. On the back of achieving sound cash reserves in 2020/2021 with an EBITDA of \$5.8m (25.2%), the Board committed to over \$650,000 in capital expenditure with upgrades and refurbishment to air conditioning and refrigeration plant, fire suppression systems, upgrade to the clubs Fire Safety requirements, kitchen upgrades, external building façade works, level one terrace, auditorium female restroom and sections of roofing in some of the non-renovated areas of the building.

In collaboration with the Ballina Coast High School a Memorandum of Understanding was signed in 2021 that was initiated in close consultation with the Principal – Janeen Silcock and her staff at Ballina Coast High to develop a Hospitality Scholarship and Mentoring Programme for local hospitality students. This is an exciting project as it aims to:

- Assist the broader Ballina Shire community by strengthening the professionalism and standard of hospitality by working alongside our team of highly qualified chefs and service staff,
- Provides future employment opportunities for local students and
- Provides meaningful opportunities for club employees to mentor and coach local students.

Similarly, in terms of investing in our existing staff there were twelve employees who commenced TAFE NSW Workplace Traineeships in Cert III and IV in Hospitality, Commercial Cookery and Management. The club's role provided a range of support measures to the employee throughout the term of their study programme that will greatly enhance their short and long-term career opportunities.

Leading a team of such dedicated and committed staff through periods of much uncertainty and regulatory change has been

made so much easier by the professionalism, resilience and overall desire to ensure the club remains viable throughout this pandemic. It was vitally important that the operational strategies implemented contained solutions that preserved the short and long-term employment opportunities of our staff. To that end, I sincerely thank our Chief Operations Officer Marisa Poptie, Executive Manager Food and Beverage Shane Ironside, Executive Chef Stephen Mills and their outstanding supervisory and operational teams for their expertise and loyalty that ensured the club remains sustainable in the period ahead.

I thank Chairman Darren Murnane and his fellow Directors for their vision and determination in meeting the many challenges facing the club over the past twelve months. The Board has devoted many hours in a voluntary capacity to ensure the measures put in place support our staff and our valued members. Members can be assured that the long-term prospects of your club are soundly overseen by a dedicated team of Directors.

The Board of Directors are extremely proud to be in a position to support a range of community organisations through the 2020/21 club grants funding program with over \$236,000 provided to many worthy community organisations. The recipients will be announced in October, and we look forward to recognising their valuable contribution improving the lives of many of our Ballina citizens.

A special thankyou to all of our members and the internal sporting groups for your understanding and support as we responded to ongoing restrictions causing disruptions and cancellations to events and activities. We look forward to exiting the current lockdown and welcoming everyone back to your club. Your friendly and engaging presence with staff has been sorely missed.

We advise that this year's annual report is also available on our website at www.ballinarsl.com.au and would ask that any members that have questions about matters outlined in the annual report, to put your questions in writing at least 7 days before the AGM so that we can thoroughly research your questions and respond appropriately.

Bill Coulter
Chief Executive Officer



As part of our ongoing commitment to staff training we have initiated a program of orientation visits to various local suppliers.
Pictured: Staff on a recent excursion.

Independent Auditors Report to Members of Ballina RSL Club Limited

for the year ended 30 June, 2021

Report on the audit of the financial report

Opinion

We have audited the financial report of Ballina RSL Club Limited ("the Company") which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 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 30 June 2021 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 Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the 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 (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

The directors are responsible for the other information. The other information comprises the information included in the Director's report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.
- 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

THOMAS NOBLE & RUSSELL CHARTERED ACCOUNTANTS

Per:



A J BRADFIELD (Partner)

Dated at Lismore this 23rd day of August 2021

Directors' Report

for the year ended 30 June, 2021

The directors have pleasure in presenting their report together with the financial report of the company for the year ended 30 June 2021

Directors

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

Director	Qualification / Experience	Period	Special Responsibilities
Darren Murnane	Director - 3 Years	Jul 20 - Jun 21	Chairperson (from December 2020), Deputy Chairperson (to December 2020)
Patricia Wilson	Director - 4 Years	Jul 20 - Jun 21	Vice Chairperson (to December 2020), Deputy Chairperson (from December 2020)
Keith Hylton Spearing	Director - 20 years	Jul 20 - Jun 21	Director
Kevin Arthur Hanns	Director - 14 years	Jul 20 - Jun 21	Director
Sharon Balkin	Director - 3 Years	Jul 20 - Jun 21	Director
Paul Blanch	Director - 2 Years	Jul 20 - Jun 21	Director
Darryl Piper	Director - 2 Years	Jul 20 - Jun 21	Vice Chairperson (from December 2020)
Graeme Richard McNally (retired December 2020)	Director - 14 years	Jul 20 - Jun 21	Chairperson (to December 2020)
Graham Broadhead (elected 10/11/19) (resigned 24/08/20)	Director - 9 Months	Nov 19 - Jun 20	Director

Principal Activities

The principal activity and objective of the Company is to provide licensed club and sporting facilities to its members and their guests as defined by the organisation's constitution. To achieve the Company's objectives the directors and management have developed a strategic plan that is reviewed and revised on a regular basis. In order to achieve its stated objectives the directors and management use a number of key performance measures including, but not limited to earnings before interest, income tax, depreciation and amortisation, gauging member satisfaction, member growth and community support.

Short term and Long term objectives

The Company's short and long term objectives are to ensure that the organisation's financial position remains sound, enabling members, guests and the broader community to have access to sustainable services and facilities for future years.

Strategy for achieving the objectives

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

- To offer that tastes of our region with fast, friendly and efficient service that is value for money whilst providing a unique experience to our members and guests. Showcasing fresh local produce on all menus.
- Scheduling unique styles of entertainment concepts, that drive increased patronage and a flow on effect to increased food and beverage revenues.

How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by;

- Providing alfresco terrace/balcony dining options we were able to drive food & beverage revenues.
- Providing a destination food and beverage customer experience that is unique to the region resulting in return visitations.
- Creating a quality food and beverage family friendly precinct within the club that caters for members their guests and visitors.

Performance measures - before impairment

The following measures are used within the Company to monitor performance:

- EBIT Margin 2021 16.77% (2020: 2.28%)
- Net Margin 2021 15.39% (2020: 0.55%)
- EBITDA 2021 25.26% (2020: 12.51%)

Operating Results

The profit from continuing activities after income tax amounted to \$3,232,690 (2020: \$73,924).

A review of operations of the Company during the financial year and the subsequent results that emanated from such review, specifically in the context of the Covid-19 Pandemic, have seen an increase in revenue from continuing operations of 15.99% to \$21,633,895.

Directors' Report

for the year ended 30 June, 2021

Directors Attendances

During the year there were 17 Board of Director meetings. Attendances by each director were as follows:

Board Meetings

Directors	Present	Leave of Absence	Apology
Sharon Balkin	11	0	6
Paul Blanch	16	1	0
Graham Broadhead	2	0	1
Kevin Hanns	15	0	2
Graeme McNally	10	0	1
Darren Murnane	17	0	0
Darryl Piper	14	2	1
Keith Spearing	17	0	0
Patricia Wilson	14	0	2

Company Secretary

Bill Coulter has held the role of Company Secretary since 2nd February 2003. Bill has qualifications with a Bachelor of Business Degree and Club Management Diploma, whilst he has over 30 years experience in the Club industry. He is also a member of the Australian Institute of Company Directors (AICD).

Directors' Declaration

for the year ended 30 June, 2021

In accordance with a resolution of the directors of Ballina RSL Club Limited, the directors declare that:

- The financial statements and notes are in accordance with the Corporations Act 2001 and:
 - comply with Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - give a true and fair view of the financial position of the Company as at 30 June 2021 and of its performance for the year ended on that date.
- 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.

Dated at Ballina this 23rd day of August 2021



D Murnane
(Chairperson)

Contribution on Winding Up

The company is limited by guarantee without share capital. The number of members as at 30 June 2021 is 17,908 (2020: 19,734).

If the company is wound up, the constitution states that each member of the company is liable to contribute a maximum of \$1 towards meeting any outstanding liabilities of the company. At 30 June 2021, the maximum total amount that members of the company would be liable to contribute if the company is wound up is \$17,908.

Auditor's Independence Declaration

The Directors have received and acknowledged the attached Auditor's Independence Declaration.

Signed in accordance with the resolution of directors.



D Murnane
(Chairperson)

Dated at Ballina this 23rd day of August 2021.

Auditors Independence Declaration

As lead auditor for the audit of the financial report of Ballina RSL Club Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Dated at Lismore this 23rd day of August 2021.

THOMAS NOBLE & RUSSELL CHARTED ACCOUNTANTS

Per:



A J BRADFIELD
(Partner)
Registered Company Auditor

Statement of Profit or Loss & Other Comprehensive Income

for the year ended 30 June, 2021

	Note	2021 \$	2020 \$
Revenue	(2)	21,633,895	18,651,172
Expenses	(3)	(18,006,484)	(18,254,897)
Finance Costs		(298,929)	(322,351)
Profit Before Income Tax		<u>3,328,482</u>	<u>73,924</u>
Income Tax Expense	(4)	(95,792)	-
Net profit for the Year		<u>3,232,690</u>	<u>73,924</u>
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Total Comprehensive Income for the Year		<u>3,232,690</u>	<u>73,924</u>

This Statement of Profit or Loss & Other Comprehensive Income should be read in conjunction with the accompanying notes

Statement of Financial Position

as at 30 June, 2021

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Cash and Cash Equivalents	(6)	5,437,230	2,134,124
Trade and Other Receivables	(7)	66,196	501,201
Inventories	(8)	197,026	182,968
Other Assets	(9)	124,488	159,664
TOTAL CURRENT ASSETS		<u>5,824,940</u>	<u>2,977,958</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	(10)	32,391,880	32,493,561
Intangible Assets	(11)	3,267,909	3,268,588
Deferred Tax Assets	(12)	115,814	225,948
TOTAL NON-CURRENT ASSETS		<u>35,775,604</u>	<u>35,988,097</u>
TOTAL ASSETS		<u>41,600,543</u>	<u>38,966,055</u>
CURRENT LIABILITIES			
Trade and Other Payables	(13)	1,624,298	1,803,715
Member Subscriptions Received in Advance		39,850	30,724
Borrowings	(14)	1,333,698	337,068
Provisions	(15)	1,088,856	1,088,788
TOTAL CURRENT LIABILITIES		<u>4,086,702</u>	<u>3,260,295</u>
NON-CURRENT LIABILITIES			
Member Subscriptions Received in Advance		117,405	113,700
Borrowings	(14)	3,878,560	5,212,245
Provisions	(15)	136,681	188,833
Deferred Tax Liability	(12)	183,472	225,948
TOTAL NON-CURRENT LIABILITIES		<u>4,316,119</u>	<u>5,740,727</u>
TOTAL LIABILITIES		<u>8,402,820</u>	<u>9,001,022</u>
NET ASSETS		<u>33,197,723</u>	<u>29,965,033</u>
MEMBERS' EQUITY			
Retained Earnings		<u>33,197,723</u>	<u>29,965,033</u>
TOTAL MEMBERS' EQUITY		<u>33,197,723</u>	<u>29,965,033</u>

This Statement of Financial Position should be read in conjunction with the accompanying notes

Statement of Changes in Equity

for the year ended 30 June, 2021

	Retained Earnings \$	Total Equity \$
Balance at 1 July 2019	29,891,109	29,891,109
Profit for the year	73,924	73,924
Balance at 30 June 2020	29,965,033	29,965,033
Profit for the year	3,232,690	3,232,690
Balance at 30 June 2021	33,197,723	33,197,723

This Statement of Changes in Equity should be read in conjunction with the accompanying notes

Statement of Cash Flows

for the year ended 30 June, 2021

	Note	2021 \$	2020 \$
i) Cash Flows From Operating Activities			
Receipts From Customers		22,080,774	18,226,083
Interest Received		958	1,204
Payments to Suppliers and Employees		(16,374,090)	(15,995,977)
Income Tax Paid		-	-
Interest and Other Costs of Finance		(315,974)	(335,055)
Net Cash Provided By Operating Activities		5,391,668	1,896,256
ii) Cash Flows From Investing Activities			
Payments for Property, Plant & Equipment		(1,751,506)	(865,525)
Net Cash Used in Investing Activities		(1,751,506)	(865,525)
iii) Cash Flows From Financing Activities			
Proceeds from Borrowings		-	-
Repayment of Borrowings		(337,056)	(876,836)
Net Cash Used in Financing Activities		(337,056)	(876,836)
Net Increase in Cash & Cash Equivalents Held		3,303,106	153,895
Cash and Cash Equivalents at the Beginning of the Financial Year		2,134,124	1,980,229
Cash and Cash Equivalents at the End of the Financial Year	(6)	5,437,230	2,134,124

This Statement of Cashflows should be read in conjunction with the accompanying notes

Notes to the Financial Statements

for the year ended 30 June, 2020

This financial report is for Ballina RSL Club Limited (the Club) as an individual entity. The Club is a company limited by guarantee which is incorporated and domiciled in Australia.

New of amending Accounting Standards and Interpretations adopted

The Club has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of Preparation

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

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

Significant accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial report was authorised for issue by the directors on 23rd August 2021.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

a) Income Tax

Income tax payable is calculated using the Waratahs formula which determines the taxable income for mutual entities.

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

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profits nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year where the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of profit or loss and other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Notes to the Financial Statements

for the year ended 30 June, 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Property, Plant and Equipment

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

Depreciation

The depreciable amount of all property, plant & equipment, including buildings and capitalised leased assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life 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 estimated useful lives used for each class of depreciable assets are:

Buildings	50 years
Furniture and Fittings	10 years
Poker Machines	5 years
Plant and Equipment	7 years
Motor Vehicles	6 years

Asset 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 and losses are included in profit or loss when the item is derecognised.

c) Impairment of Assets

At the end of each reporting period, the Club reviews the carrying values of its tangible and intangible assets (excluding inventory and deferred tax assets) to determine whether there is any indication that these assets have been impaired. Where it is not possible to estimate the recoverable amount of a class of assets, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised in profit or loss as an expense.

d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

e) Inventories

Inventories consist of beer, spirits, wines, catering and other sundry bar stocks. Inventories are valued at the lower of cost and net realisable value using the first in, first out method of assigning cost.

f) Revenue Recognition

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Club is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Club:

1. Identifies the contract with the customer
2. Identifies the performance obligations in the contract
3. Determines the transaction price
4. Allocates the transaction price to the performance obligations
5. Recognises revenue when each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Notes to the Financial Statements

for the year ended 30 June, 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Revenue Recognition (Continued)

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Club have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

The revenue recognition policies for the principal revenue streams of the Club are:

Sale of goods

Revenue from the sale of goods is recognised at the point of delivery to the customer as this is deemed to be the point in time when the performance obligation is satisfied.

Rendering of services

Revenue from rendering of services is recognised in the accounting period in which the services are rendered. For fixed price contracts, revenue is recognised based on the actual services provided to the end of the reporting period as a proportion of the total services to be provided as the customer receives and uses the benefit simultaneously.

Other Revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

g) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

h) Trade and Other Payables

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

i) Provisions

Provisions are recognised when the Club has a present obligation, the future sacrifice of economic benefits is probable and the amount of the provision can be reliably measured. The amount recognised as a provision is the best estimate of the amount required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, the cash flows have been discounted to their present value as at the end of the reporting period.

j) Financial Liabilities

Financial liabilities consist of interest-bearing liabilities such as loans which are carried at amortised cost. Interest is charged as an expense as it accrues.

Notes to the Financial Statements

for the year ended 30 June, 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Employee Benefits

Short-term employee benefits

Provision is made for the Club's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, employee incentives and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. Short term employee benefits are recognised as a current liability in trade and other payables on the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the re-measurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense. The Club's obligations for long-term employee benefits are presented as non-current provisions in the statement of financial position, except where the Club does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(l) Intangibles

Gaming Machine Entitlements

Gaming machine entitlements were granted to the Club by the NSW Government prior to 1 July 2004. Gaming machine entitlements have been recognised in the statement of financial position at their fair value at the date of the grant which has been deemed to be their cost as at 1 July 2004. Subsequent acquisitions of gaming machine entitlements are recognised at cost.

Gaming machine entitlements are assessed as being intangible assets with an indefinite useful life and have not been amortised. Gaming machine entitlements are carried at cost in the statement of financial position and are subject to an annual impairment test.

(m) Leases

At inception of a contract, the Club assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Club has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Club has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

At the lease commencement, the Club recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Club believes it is reasonably certain that the option will be exercised. The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received. The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Notes to the Financial Statements

for the year ended 30 June, 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Leases (Continued)

Lessee accounting (Continued)

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Club's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Club's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Club has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Club recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

n) Critical Accounting Estimates and Judgements

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The directors have not made any critical accounting estimates or judgements in the preparation of these financial statements.

o) Comparative Figures

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

Notes to the Financial Statements

for the year ended 30 June, 2021

NOTE 2 - REVENUE

	2021 \$	2020 \$
Revenue from Contracts with Customers		
i) Sale of Goods		
Bar	2,403,945	2,354,864
Bottleshop	94,081	69,329
Catering	3,195,570	3,708,021
	<hr/> 5,693,596	<hr/> 6,132,214
ii) Services		
Entertainment	108,273	143,937
Keno Commissions	162,552	168,347
Membership Subscriptions	131,482	168,933
Other Commissions	3,243	3,986
Other Revenue	180,528	26,367
Poker Machine Revenue	13,534,835	10,012,655
Raffle/Bingo Revenue	236,615	282,660
Rebates	148,931	104,142
Room & Equipment Hire	73,663	189,053
Sub Club Revenue	12,699	24,258
TAB Commissions	24,620	32,181
	<hr/> 14,617,441	<hr/> 11,156,519
Other Revenue		
Rental Income	82,167	62,414
Apprentice and Trainee Incentives	51,447	1,500
Interest	958	1,204
JobKeeper subsidy	1,086,000	1,108,500
Covid-19 Cash flow boost	12,500	50,000
Other Revenue	89,787	138,820
	<hr/> 1,322,859	<hr/> 1,362,438
Total Revenue	<hr/> <hr/> 21,633,895	<hr/> <hr/> 18,651,172

Notes to the Financial Statements

for the year ended 30 June, 2021

NOTE 3 - PROFIT BEFORE INCOME TAX

	2021	2020
	\$	\$
Expenses - by nature:		
Administration	827,507	1,122,980
Donations	287,468	295,792
Electricity and Gas	430,144	431,735
Insurance Expenses	565,573	424,539
Land Tax	24,323	24,952
Loss on Disposal of Plant and Equipment	16,783	2,973
Member Entertainment and Promotions	1,170,013	1,571,694
Employee Costs	6,418,032	6,924,024
Maintenance and Cleaning	774,347	841,916
Poker Machine Taxes and Monitoring	3,149,142	2,343,048
Occupancy Costs	318,603	381,386
Amortisation Expense	15,055	2,778
Depreciation Expense		
Buildings	509,048	536,508
Poker Machines	743,476	817,574
Plant & Equipment	569,504	580,958
	<u>15,819,018</u>	<u>16,302,856</u>
Cost of Goods Sold	<u>2,187,466</u>	<u>2,274,392</u>
Total Expenses	<u><u>18,006,484</u></u>	<u><u>18,577,248</u></u>

NOTE 4 - INCOME TAX EXPENSE

The prima facie tax on profit from continuing operations is reconciled to the income tax expense as follows:

Prima facie tax payable on profit from continuing operations before income tax at 26% (2020: 27.5%)	865,405	20,329
Tax effect of non-deductible and non-assessable items	<u>(769,613)</u>	<u>(20,329)</u>
Income tax attributable to profit from continuing operations	<u>95,792</u>	-
The income tax expense comprises amounts set aside to:		
Provision for Income Tax	28,135	-
Deferred Tax Assets/(Liabilities)	<u>67,657</u>	-
	<u>95,792</u>	-
Applicable Weighted Average Effective Tax Rate	<u>2.88%</u>	<u>0.00%</u>

Notes to the Financial Statements

for the year ended 30 June, 2021

NOTE 5 - RELATED PARTY INFORMATION

	2021	2020
The Club's main related parties are as follows:	\$	\$

a) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Club, directly or indirectly, including directors (whether executive or otherwise) of that entity, are considered key management personnel.

For details of disclosures relating to key management personnel, refer below.

b) Other related parties

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

Transactions with Related Parties

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

Key Management Personnel Compensation

The aggregate compensation made to directors and other members of key management personnel of the Club is set out below:

Aggregate Compensation	896,314	761,383
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NOTE 6 - CASH AND CASH EQUIVALENTS

Cash on Hand	380,020	331,361
Cash at Bank	5,057,211	1,802,763
	<u>5,437,230</u>	<u>2,134,124</u>

Cash at bank in 2021 includes a restricted amount of \$28,273 (2020: \$32,349) relating to various sub-clubs. These monies are maintained by the Club, however they are to be used to progress the activities of each sub-club.

NOTE 7 - TRADE AND OTHER RECEIVABLES

Trade Receivables	66,196	71,451
Allowance for expected credit losses	-	-
Trade Receivables	66,196	71,451
Government receivable - JobKeeper	-	429,750
	<u>66,196</u>	<u>501,201</u>

NOTE 8 - INVENTORIES

Beverage	115,435	111,992
Catering	66,947	44,121
Other	14,644	26,856
	<u>197,026</u>	<u>182,968</u>

NOTE 9 - OTHER ASSETS

Prepayments	124,488	159,664
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Notes to the Financial Statements

for the year ended 30 June, 2021

NOTE 10 - PROPERTY PLANT AND EQUIPMENT

	2021 \$	2020 \$
Land At Cost	11,135,462	11,135,462
Buildings At Cost	26,191,669	25,925,283
Less: Accumulated Depreciation & Impairment	(10,364,402)	(9,855,344)
	<u>15,827,267</u>	<u>16,069,939</u>
Plant, Equipment, Furniture & Fittings At Cost	26,174,884	26,062,181
Less: Accumulated Depreciation	(20,745,732)	(20,774,021)
	<u>5,429,151</u>	<u>5,288,160</u>
Total Property, Plant and Equipment	<u><u>32,391,880</u></u>	<u><u>32,493,561</u></u>

The Directors have resolved that the premises located at Grant Street and Canal Road together with the land they occupy is deemed to be core property for the purposes of section 41J of the Registered Clubs Act, 1976.

Movements in Carrying Amounts

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

	Freehold Land & Buildings \$	Plant, Equipment, Furniture & Fittings \$	Total \$
Balance at the Beginning of the Year	27,205,402	5,288,160	32,493,562
Additions	266,374	1,485,130	1,751,504
Additions - Work in Progress	-	-	-
Disposals - Written Down Value	-	(16,783)	(16,783)
Amortisation Expense	-	(14,376)	(14,376)
Depreciation Expense	(509,048)	(1,312,980)	(1,822,028)
Carrying Amount at the End of Year	<u><u>26,962,729</u></u>	<u><u>5,429,151</u></u>	<u><u>32,391,880</u></u>

NOTE 11 - INTANGIBLE ASSETS

	2021 \$	2020 \$
Gaming Machine Entitlements	3,267,909	3,267,909
Information Technology Software	192,215	192,215
Less: Accumulated Amortisation	(192,215)	(191,536)
Carrying Amount at the End of Year	<u><u>3,267,909</u></u>	<u><u>3,268,588</u></u>

Notes to the Financial Statements

for the year ended 30 June, 2021

NOTE 12 - DEFERRED TAX ASSETS

	2021 \$	2020 \$
(a) Deferred Tax Asset		
Deferred Tax Asset	115,814	225,948
Deferred Tax Assets Comprise:		
Provisions	111,308	145,762
Plant & Equipment	-	47,719
Tax Losses	-	27,030
Trade and Other Payables	4,506	5,437
	<u>115,814</u>	<u>225,948</u>

The movement in deferred tax assets for each temporary difference during the year is as follows:

Provisions		
Opening Balance	145,762	119,147
Credited to Income Account	(34,454)	26,615
Closing Balance	<u>111,308</u>	<u>145,762</u>
Plant & Equipment		
Opening Balance	47,719	85,042
Credited to Income Account	(47,719)	(37,323)
Closing Balance	<u>-</u>	<u>47,719</u>
Trade and Other Payables		
Opening Balance	5,437	9,386
Credited to Income Account	(931)	(3,949)
Closing Balance	<u>4,506</u>	<u>5,437</u>

b) Deferred Tax Asset not Recognised

Tax effect of tax losses not raised	-	205,119
Tax effect of capital losses not raised	594,840	893,750
	<u>594,840</u>	<u>1,098,869</u>

Refer to Note 1 (a) for the policy on recognition of Deferred Tax Assets relating to temporary differences and unused tax losses.

c) Deferred Tax Liabilities

Non-Current		
Deferred Tax Liabilities	183,472	225,948
Deferred Tax Liabilities Comprise:		
Land and Buildings	181,495	219,347
Prepayments	1,977	6,601
	<u>183,472</u>	<u>225,948</u>

NOTE 13 - TRADE AND OTHER PAYABLES

Current		
Trade Creditors and Accruals	1,192,699	1,683,451
Other Payables	28,843	21,540
Net GST Payable	374,621	98,725
Income Tax Payable	28,135	-
	<u>1,624,298</u>	<u>1,803,715</u>

Notes to the Financial Statements

for the year ended 30 June, 2021

NOTE 14 - BORROWINGS

	2021 \$	2020 \$
Current		
Secured		
Bank Loans	1,333,698	337,068
Non-Current		
Secured		
Bank Loans	3,878,560	5,212,245

Assets Pledged as Security

Borrowings from the National Australia Bank are secured by the following:

- Registered Mortgage over property situate at corner River & Grant Streets, Ballina NSW 2478 more particularly described in Certificate of Title Folio Identifier 227/755684.
- Security Interest and Charge over all of the present and future rights, property and undertaking of Ballina RSL Club Limited.
- Registered Mortgage over property situate at Canal Road, Ballina NSW 2478 more particularly described in Certificate of Title Folio Identifier 1/874576.
- Registered Mortgage over property situate at 256-270 River Street, Ballina NSW 2478 more particularly described in Certificate of Title Folio Identifiers 4A/398716, 1/781715, 11/4A/758047, 4B/398716, 12/4A/758047, 6/23897, 6/4A/758047, 7/23897, 8/251206, 9/251206, A/397985.

Credit Standby Arrangement and Loan Facilities

The company has the following bank overdraft and loan facilities:

	Overdraft \$	Loans \$
Amount used at balance date	-	5,201,420
Amount unused at balance date	350,000	-
Total facility available	350,000	5,201,420

NOTE 15 - PROVISIONS

	2021 \$	2020 \$
Current		
Employee Benefits - Annual Leave	570,100	545,421
Employee Benefits - Long Service Leave	497,529	525,358
Employee Benefits - Vesting Sick Leave	14,726	11,509
Mortality Fund Benefits	6,501	6,501
	1,088,856	1,088,788
Current Employee Benefits Expected to be Paid in Less Than 12 Months	235,887	353,031
Current Employee Benefits Expected to be Paid After 12 Months	846,468	729,256
	1,082,355	1,082,288
Non-Current		
Employee Benefits - Long Service Leave	60,988	107,140
Mortality Fund Benefits	75,693	81,693
	136,681	188,833

Rollforward of Provisions

	Employee Benefits \$	Mortality Fund \$
Opening Balance	1,189,428	88,194
Additional Provisions Raised During the Year	502,133	-
Amounts Paid	(548,217)	(6,000)
Closing Balance	1,143,344	82,194

Notes to the Financial Statements

for the year ended 30 June, 2021

NOTE 16 - CAPITAL AND LEASE COMMITMENTS

Capital Commitments

At balance date the company had not entered into any contract/s relating to capital commitments.

Lease Commitments

The company does not have any material operating lease commitments at balance date.

NOTE 17 - FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, receivables, payables and loans.

The totals for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments* are as follows:

Financial Assets	Note	2021 \$	2020 \$
Cash and Cash Equivalents	(6)	5,437,230	2,134,124
Trade and Other Receivables	(7)	66,196	501,201
		5,503,426	2,635,325
 Financial Liabilities			
Financial Liabilities at Amortised Cost:			
- Trade and Other Payables	(13)	1,624,298	1,803,715
- Borrowings	(14)	5,212,258	5,549,314
		6,836,556	7,353,029

NOTE 18 - FAIR VALUE MEASUREMENT

The company does not measure any assets or liabilities at fair value on a recurring or non-recurring basis in the statement of financial position subsequent to initial recognition.

NOTE 19 - EVENTS AFTER THE REPORTING DATE

The financial report was authorised for issue on 23rd August 2021 by the Board of Directors.

Attention is drawn to Note 20 'COVID-19' which describes the impact of the pandemic on the Company and the uncertainty as to the future trading restrictions.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs on the Company in future financial years.

NOTE 20 - COVID-19

During the week beginning 23rd June 2021, the New South Wales Government announced a series of restrictions aimed at preventing the spread of the latest outbreak of COVID-19, which had the subsequent effect of impacting the Company's operations.

In addressing and implementing the necessary changes to ensure the Company complied with the latest set of restrictions, the Directors implemented, amongst others, the following strategies:

- Ongoing review and revision of all operating costs during the period of the latest Public Health restrictions.
- Pursuing opportunities to access the various Government stimulus funding available which included the Job Saver Scheme.

Whilst the latest Public Health Orders are impacting on the Club's current trading capacity, the Directors' believe that there are no significant indicators of material uncertainty as to the ability of the Company to continue to operate on a going concern basis.



**BALLINA
RSL**

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**THE
BOARDWALK**



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FUNCTIONS**



**KIDS
COVE**



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ONE**



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